



EXPLORATION SERVICES CO., INC.

ALASKA OFFICE - POST OFFICE BOX 1611 - ANCHORAGE, ALASKA 99501 (907) 272-2419

August 4, 1975

Director (732)
Bureau of Land Management
Washington, D.C. 20240

Gentlemen:

RE: Proposed Lease Sale (39)
Oil and Gas on the Outer Continental Shelf, Gulf of Alaska

This letter is submitted for your consideration relative to proposed lease sale (39).

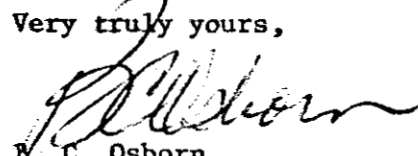
Exploration Services Co., Inc. has conducted extensive coring operations in the proposed lease sale area during the months of June, July and August of 1971 and again during the months of June and September of 1973. Our operations were conducted in a safe and efficient manner and at no time did the situation arise where there was any danger of creating an environmental hazard or was our crew or vessel at any time in danger as a result of the elements.

Our basic purpose in the Northeastern Gulf of Alaska was to acquire environmental, engineering and geological data for the petroleum industry as it relates to evaluation of the potential and possible hazards related to operating in the area. Through our efforts, the Industry gained a significant amount of information which should place them in a position of operating in a safe and efficient manner in the area.

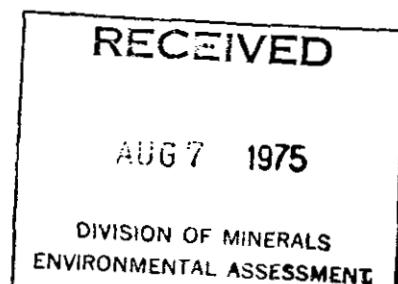
During the 1971 operations 19 oil companies participated in the project and have this information available to them. During our 1973 operations in the Gulf of Alaska 11 oil companies participated and again have this information available to them.

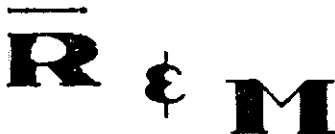
Due to business commitments, we are unable to present this testimony at the hearings in Anchorage, Alaska, and are hopeful that this submittal will be considered as a part of your findings on the proposed lease sale.

Very truly yours,


R. C. Osborn
President

BCO/mlh





ALASKA OCS OFFICE
CONSULTANTS, INC. ALASKA

ANCHORAGE
FAIRBANKS
JUNEAU

THREE EES PROF. BLDG. • 6-1/2 MILE GLACIER HWY. • P. O. BOX 1786 • JUNEAU, ALASKA 99801 • TELEPHONE 907-789-0880 • TELEX 090-35419
AUG 22 12 45 PM '75

August 15, 1975

U.S. Department of Interior
Bureau of Land Management
Alaska Outer Continental Shelf Office
800 A Street
P.O. Box 1159
Anchorage, Alaska 99501

Gentlemen:

On August 13, 1975, continuance of public hearings were to be conducted at the ballroom of the Anchorage Westward Hotel. During the evening of August 13, 1975, our Chamber of Commerce, represented by Malcolm A. Menzies, was to give verbal testimony. His time schedule is shown on the attached agenda which was anticipated to begin at 6:45 PM. Mr. Menzies arrived at the Anchorage Westward Hotel at 6:30 PM after flying from Juneau to participate. Upon arriving at the Anchorage Westward Hotel we found that the hearing had been completed with no formal acknowledgement by your committee. We feel this was an unfair and unjustified act by your committee. We are submitting a draft of the informal statement that Mr. Menzies was to make at said hearing. We will also submit a more formal statement in writing to your office prior to the expiration date of August 29, 1975.

Sincerely,



Malcolm A. Menzies
Juneau Chamber of Commerce

MAM:emm

Attachment



CONSULTANTS, INC.

ALASKA OCS OFFICE
ANCHORAGE, ALASKA

ANCHORAGE
FAIRBANKS
JUNEAU

THREE FLOORS PROF. BLDG. • 6-1/2 MILE GLACIER HWY. • P. O. BOX 1786 • JUNEAU, ALASKA 99801 • TELEPHONE 907-589-7100 • TELEX 090-35419

AUG 22 12 45 PM '75

August 12, 1975

U.S. Department of Interior
Bureau of Land Management
Outer Continental Shelf Office
800 A Street
P.O. Box 1159
Anchorage, Alaska 99510

Re: Proposed Lease Sale (#39)
Oil & Gas on the Alaska Outer Continental Shelf
Gulf of Alaska
Public Hearings - August 12th & 13th, 1975

Gentlemen:

As a member of the Board of Directors, Greater Juneau Chamber of Commerce, City & Borough of Juneau, Alaska, I wish to start our public testimony in a positive light. Our body totally favors, and is in support of, the OCS proposed leasing to be conducted during late Fall-early Winter, 1975. To amplify and expand the Juneau Chamber of Commerce's position, a formal written statement will be submitted prior to the closing date of such submittals of August 29, 1975. Hopefully, to amplify this formal written statement, and to render some meaningful constructive criticisms concerning the Northern Gulf of Alaska Environmental Impact Statement, this testimony is submitted. As Laymen within the Juneau Chamber of Commerce, we cannot fully render an in-depth, meaningful constructive critique of the Environmental Impact Statement. On the surface the volumes of data submitted appear quite complete, well prepared and well documented with the possible exception that our coastal community and its possible relative, long term substantial impact on OCS has been omitted. Whether this omission is planned or ignored we cannot determine. We are laymen with respect to the oil industry and cannot comment on the many and various aspects of the technical and support data within the draft Environmental Impact Statement. As far as energy needs in the United States, and in particular Juneau, are concerned, we only have to examine the damage rendered to our schools by the fuel shortage two short winters past. The fuel shortage and our community's effort to conserve energy (in co-operation with our government's request) has placed grim reminders in our public school systems by damage done through this conservation attitude and lack of energy resources which affected the public buildings considerably. Therefore, as a community we support natural resources development, and in particular, Outer Continental Shelf development.

U.S. Department of Interior
Bureau of Land Management
August 18, 1975
Page 2

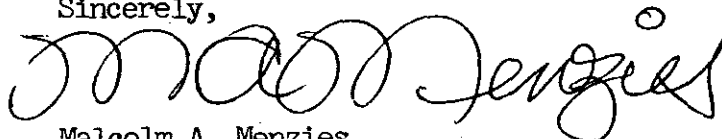
Although technical expertise cannot be given by ourselves, as previously stated, we can address that portion of the statement (Environmental Impact) entitled "Social & Economic Environment of the Northern Gulf of Alaska Coast." Within this portion of the statement Juneau was wrongfully omitted. Geographically, the citizens of our community are as close or closer than other communities which were reviewed and discussed within this portion of the Environmental Impact Statement. As all are aware, Juneau presently is losing, or is about to lose, its prime source of economic endeavor, and that is government.

We are a community seeking economic diversification in an aggressive manner. Whether we will have or will not have a meaningful role in OCS activities, we will not change our endeavors to seek economic diversification. We feel there will be a role for Juneau within substantial long-term on-shore OCS impact. Your ability to ignore a community which presently has proper and adequate planning and zoning, vast industrial area at our Municipal Airport, and also within our harbor (Gastineau Channel), ignore established transportation systems, adequate school facilities, a housing vacancy factor, cultural activities etc., that would absorb much on-shore long range impact that other communities may fear or possibly welcome, but cannot financially support is indeed questionable. Granted, many think only of Anchorage as an access for on-shore support yet our community has many, if not all, of the advantages of Anchorage, and also has them on what many describe as a more pleasing scale.

In a reverse situation the oil industry sponsored studies by the Gulf of Alaska Operators Committee. They considered Juneau and the possible OCS on-shore impact of our community in their study. The study I refer to is: "An Economic and Social Impact Study of Oil-Related Activities in the Gulf of Alaska". Why, gentlemen and ladies, can industry be considerate of a community that seeks economic diversification and has plans that can be implemented, and further welcomes new industry, when the Federal Government cannot? This question, gentlemen, must be answered and it must be answered within that portion of the Environmental Impact Statement related to the "Economic and Social Impact of Oil-Related Activities in the Gulf of Alaska..

The shortness of this testimony should not be considered as our community's lack of interest in OCS activities. On the contrary, we demand that your draft Environmental Impact Statement be revised to include the availability of on-shore resources that can support valid OCS activities in the Gulf of Alaska by Juneau.

Sincerely,



Malcolm A. Menzies
Juneau Chamber of Commerce

MAM:emm



HEADQUARTERS
ALASKA MINERS ASSOCIATION, INC.

PRESIDENT
Wm. L. Waugaman
270 Illinois Street
Fairbanks, Alaska 99701
Phone 456-5005

VICE-PRESIDENT
Charles Herbert
1435 Inlet Pl.
Anchorage, Alaska 99501

SECRETARY
Dr. Ernest N. Wolf
P.O. Box 80989
College, Alaska 99701
Phone 479-2156

TREASURER
Gene Yurkovich
P.O. Box 3018
Fairbanks, Alaska 99701

August 7, 1975

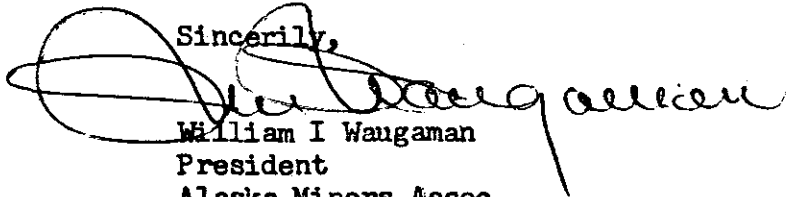
Director (732) Bureau Land Mgt
Washington,
D.C. 20240

Dear Sir;

Attached is a statement by the Alaska Miners Association regarding off shore drilling in Alaska waters which we are submitting for the record.

Our Association is statewide and represents in excess of seven hundred members.

Sincerely,


William I Waugaman
President
Alaska Miners Assoc.

WIW/flh

My name is W. I. Waugaman. I am President of the Alaska Miners Association, which has more than 700 members. Until assuming my present position, I was General Manager of Usibelli Coal Mine. My active mining experience in Alaska goes back to 1939. I served as a State Senator in 1967-68.

My views are straight forward--the mineral resources of Alaska and the Alaska OCS should be developed. I support the proposed oil and gas lease sale in the Gulf of Alaska.

Your announcement of hearings stated that you wish to develop all views on five specific points.

On the first, the environmental impact of the lease sale, my view is that it would be minimal. The oil industry has an enviable record offshore. It is my

derstanding that in the drilling of thousands of wells offshore, there have been few blowouts and that of these, there was only one incident where oil went ashore. That was in Santa Barbara, of course. To me, this is an excellent record.

The second point has to do with the environmental effects which cannot be avoided if the lease sale is held. The thing that occurs to me is that there would be platforms in the Gulf. This raises concerns about fishing and shipping--but these things have apparently been worked out in other areas where offshore platforms are found.

As to the third point, alternatives to the proposed action, frankly, I see none. I'm convinced the United States needs the oil and if the rest of the country gets hurt, Alaska is bound to be affected. Any longings I might have for the good old days certainly don't include the economic situation of the country in the 1930's. I'm for economic development--and I believe most Alaskans are.

Your fourth point has to do with trade-offs. Do we get the oil and gas out and take a chance on messing up other uses of the Gulf? At least that is how I

read your statement. My view is that we are not in an either/or situation. We can have both. Let's produce the oil and protect the environment.

The fifth point asks if any irreversible or irretrievable commitments of resources would be involved in the sale. Well, certainly, we would be committing to use up the oil and gas. But, we have no other option because other sources of energy are just not available. And sources such as the sun and the tides and others cannot be perfected for many years.

My support of the lease sale is, I believe, support for the country, this state, and the miners that I represent.

I believe that economic development in this state--which for the time being means oil and gas development--is essential to miners. And miners are important, because the production of hard rock base minerals is going to be the backbone of the state's economy somewhere down the road.

The hard rock minerals are here and the nation is going to need them. I will support any reasonable measure that contributes to the miner's capability to get our minerals to market.

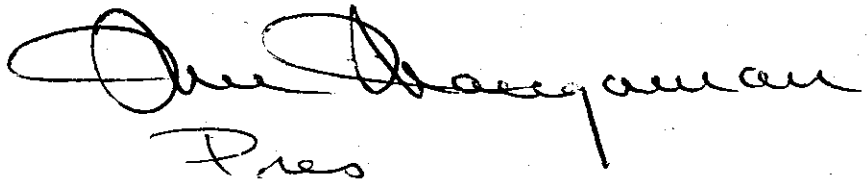
Let me give an example of how something done by the oil industry may be of considerable value to miners. This is the building of roads. Placer mines along the route of the trans-Alaska pipeline may now prove to be economical ventures because miners will be able to get in and out by truck rather than by aircraft. Lack of transportation facilities is one of the major problems facing the mining industry in Alaska.

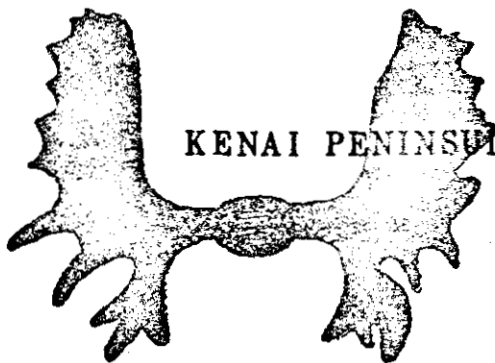
Aside from my interest in mining--although this also affects miners--I am appalled at the quadrupling in the price of foreign oil and the effect of that on the nation's economy. Our nation is so geared that a reduction in oil and gas supplies would hold those at the bottom down and throw some who have gained a better way of life back down to start all over again. To permit this is foolish.

Our country still has considerable oil and gas. I believe we should let the oil companies go out and find it. And I hope they find enough to permit the country to stay afloat if the Mideast countries decide to place another oil embargo on us.

In closing, let me state my own personal alarm at the trend in our state government. The present administration is, I believe, anti-development. The environmentalists on the Governor's staff will no doubt speak to you in terms of orderly, cautious development. The record suggests no development. If this trend continues, I believe all Alaskans will be hurt. I also believe that the State's resources can be developed with due regard for the environment. I believe the Federal government's resources off our shore line can be developed safely, also.

Again, I urge the timely sale of oil and gas leases in the Gulf of Alaska.


Pres.



KENAI PENINSULA CONSERVATION SOCIETY

P.O. BOX 563
SOLDOTNA
ALASKA 99669

4 August, 1975

Alaska OCS Office
117 W. Fireweed Lane
Anchorage, Alaska

279-4578

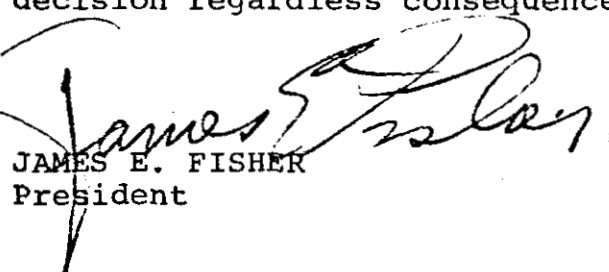
CONFIRMATION COPY - NIGHT LETTER

Kenai Peninsula Conservation Society requests testify, 8-12-75.

Failing appearance, Society protests this wire OCS leasing schedule because adequate knowledge of area unavailable. Operational information elsewhere not necessarily transferable Alaska Gulf.

Rushing leasing, poor developmental, economic, social, environmental policy.

Recent Gulf studies appear designed support pre-determined leasing decision regardless consequences.


JAMES E. FISHER
President

cc: Mike Gravel

PORT OF SEATTLE

P. O. BOX 1209 / SEATTLE, WASHINGTON 98111

Mr. Edward Hoffmann, Manager
Alaska OCS Office
P. O. Box 1159
Anchorage, Alaska 99510

Statement By Merle Adlum, President, Port of Seattle Commission for the record of the Anchorage hearing, August 4, 1975 concerning the proposed Northern Gulf of Alaska Lease Sale:

Seattle has been serving Alaska since Alaska firmly established us as its southern seaport during the Alaska Gold Rush of the 1890's. Construction of the Alyeska Oil Pipeline has further emphasized Seattle as Alaska's primary "lower 48" seaport, as well as establishing Alaska as Seattle's most important trade partner. The expertise we can contribute to this hearing is to assure all concerned that transportation facilities needed to equip northern Gulf of Alaska oil operations, from the lower 48 states, will be adequate. Alaskan transportation is our business and we have been working hard and steady to develop shipping facilities which will be able to meet any contingencies of the expanding Alaska economy. Even a project of the magnitude of the Alaska pipeline has not strained our service capability to Alaska. In the past five years, no less than eight major maritime facilities, costing over 18 million dollars, have been purchased, renovated or expanded in the Seattle harbor to meet Alaska's fast growing maritime shipping needs. Furthermore, air cargo and air passenger facilities have been greatly expanded at Seattle-Tacoma International Airport, much of which is to accommodate increasing Alaskan business.

Marine transportation facilities in Seattle which serve Alaska include rail barge, container ship, container barge, ocean-going liner and contract barge, roll-on/roll-off (container ship) and ferries of the Alaska Marine Highway. These shipping operations serve diverse Alaskan shipping facilities ranging from modern accommodations such as those of the Port of Anchorage to relatively primitive accommodations at Prudhoe Bay on the North Slope coast of the Arctic Ocean.

We have reviewed the Environmental Impact Statement of the proposed Northern Gulf of Alaska oil and gas lease and find it complete for transportation aspects within the northern Gulf of Alaska. However, it does not specifically include the excellent and varied transportation services which are available to the area from harbor locations in Puget Sound. At the present time, southeast Alaska is primarily served by Puget Sound shippers. Prince William Sound and Anchorage's Cook Inlet is also well served by numerous types of

scheduled and unscheduled shipping services from Seattle. Northern Gulf of Alaska waters, being in between, can have added transportation service from Seattle as demand requires, and with relatively little need for additional investment in port facilities. Based upon our experience with the Alyeska Pipeline project and years of accommodating Alaska's shipping needs, the additional 6,280 workers projected for the 1985 hypothetical "high" of Valdez, Cordova, Seward and Yakutat (page 572), could be easily served with existing or anticipated transportation improvements from Seattle. Furthermore, the shipping needs of the "net" baseline population increase of 11,487 (page 592), for Anchorage and North Alaskan Gulf communities, can also be accommodated with little additional shipping facility capacity.

We would like to go on record as being in favor of approval of the proposed northern Gulf of Alaska oil and gas lease. We feel we are well prepared to adequately accommodate the anticipated additional external shipping needs of the area, when, and if, oil and gas offshore exploration and/or development occurs.

Sincerely,



Merle D. Adlum
President
Port of Seattle Commission

August 1, 1975

2/09

Box 2025

Anchorage, Alaska 99510

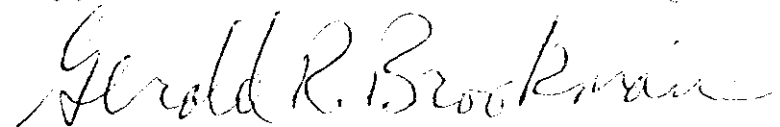
August 12th, 1975

Hearing Officer
Alaska Outer Continental Shelf Office
U.S. Department of the Interior
Bureau of Land Management
800 "A" Street
Anchorage, Alaska 99501

Sir:

The Alaska Chapter of the Sierra Club wishes to advise that we plan to file a written comment on your Draft Environmental Impact Statement on Proposed Oil and Gas Leasing in the Northern Gulf of Alaska before the September 1 deadline. We will not, however, be making an oral statement at the public hearings being held on that subject in Anchorage on August 12th and 13th.

Sincerely,

A handwritten signature in cursive script that reads "Gerald R. Brookman". The signature is written in dark ink and is positioned above the typed name and title.

Gerald R. Brookman
First Vice-Chairman (Acting Chairman)
Alaska Chapter, the Sierra Club

Box 2025

Anchorage, Alaska 99510

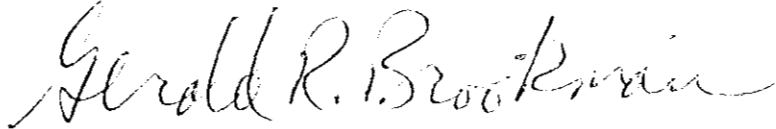
August 12th, 1975

Hearing Officer
Alaska Outer Continental Shelf Office
U.S. Department of the Interior
Bureau of Land Management
800 "A" Street
Anchorage, Alaska 99501

Sir:

The Alaska Chapter of the Sierra Club wishes to advise that we plan to file a written comment on your Draft Environmental Impact Statement on Proposed Oil and Gas Leasing in the Northern Gulf of Alaska before the September 1 deadline. We will not, however, be making an oral statement at the public hearings being held on that subject in Anchorage on August 12th and 13th.

Sincerely,

A handwritten signature in cursive script that reads "Gerald R. Brookman".

Gerald R. Brookman
First Vice-Chairman (Acting Chairman)
Alaska Chapter, the Sierra Club

Box 2025

Anchorage, Alaska 99510

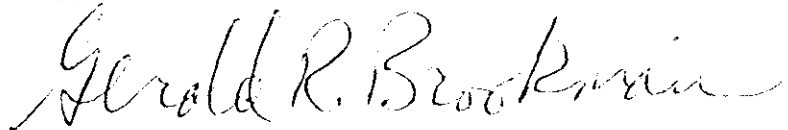
August 12th, 1975

Hearing Officer
Alaska Outer Continental Shelf Office
U.S. Department of the Interior
Bureau of Land Management
800 "A" Street
Anchorage, Alaska 99501

Sir:

The Alaska Chapter of the Sierra Club wishes to advise that we plan to file a written comment on your Draft Environmental Impact Statement on Proposed Oil and Gas Leasing in the Northern Gulf of Alaska before the September 1 deadline. We will not, however, be making an oral statement at the public hearings being held on that subject in Anchorage on August 12th and 13th.

Sincerely,

A handwritten signature in cursive script that reads "Gerald R. Brookman".

Gerald R. Brookman
First Vice-Chairman (Acting Chairman)
Alaska Chapter, the Sierra Club

BRISTOL BAY NATIVE CORPORATION

P. O. BOX 237
ILLINGHAM, ALASKA 99576
PHONE (907) 842-3070

447 EAST FIFTH AVE.
ANCHORAGE, ALASKA 99501
PHONE (907) 277-9511

August 14, 1975

Mr. Edward J. Hoffmann, Manager
Alaska Outer Continental Shelf Office
U.S. Department of Interior, BLM
P.O. Box 1159
Anchorage, Alaska 99501

Dear Mr. Hoffmann:


We respectfully request that this letter be included as part of the record of the August 12 & 13, 1975 hearings regarding a possible oil and gas lease sale offshore in the Northern Gulf of Alaska.

Bristol Bay Native Corporation is familiar with the time and background leading up to the announcement of a sale, as well as the draft Environmental Impact Statement on the proposed sale. Although we naturally would like for Alaska to share in the revenue from the sale, we see no good reasons, political, environmental, or otherwise that should delay the proposed sale. We support the sale as announced, as well as additional sales in the Gulf of Alaska and Cook Inlet, in order to provide the necessary lead time for the proper research and planning prior to any future sales in the Bering Sea - Bristol Bay region.

Thank you for the opportunity to submit this letter as part of the record supporting a Gulf of Alaska OCS Sale as scheduled.


Yours Very Truly,

BRISTOL BAY NATIVE CORPORATION


Harold H. Samuelsen
President

ALASKA CONSERVATION SOCIETY

UPPER COOK INLET
CHAPTER
BOX 3395
ANCHORAGE, ALASKA
99501



STATEMENT OF THE UPPER COOK INLET CHAPTER
OF THE ALASKA CONSERVATION SOCIETY AT THE
HEARINGS ON THE DRAFT ENVIRONMENTAL IMPACT
STATEMENT ON THE OUTER CONTINENTAL SHELF
PROPOSED OIL AND GAS LEASING IN THE
NORTHERN GULF OF ALASKA - Aug. 13, 1975
Anchorage, Alaska

Gentlemen:

My name is Virginia dal Piaz. I am testifying for the Upper Cook Inlet Chapter, is the largest chapter of the statewide Alaska Conservation Society. We are dedicated to securing the wise use, protection, and preservation of the scenic, scientific, recreational, wildlife and wilderness values of Alaska. We offer this testimony with the full expectation that it will be listened to and weighed carefully along with the other statements taken at these proceedings.

We would like to go on record, as we have done previously, as being opposed to the proposed oil and gas leases in the Northern Gulf of Alaska at this time. The CEQ has listed this area as the last area that should be leased due to weather, oceanographic problems, and lack of sufficient data on drilling in such a subarctic environment. The draft EIS contains mostly a compilation of the known scientific data, which is not a great amount; for example population data on marine mammals, fish, etc. from too few counts. This study is a necessary beginning, but the impact on these animals and their habitat is poorly documented, and thus needs more evaluation.

In fact, on pg. 341 under III ENVIRONMENTAL IMPACTS OF PROPOSED ACTION it states:

"Much of the impact data on which this section was based, was generalized, incomplete, and not specific to the Gulf of Alaska".

With such a statement prefacing the impact section, what are we to conclude??? Obviously, much more research and data need to be collected specifically on the Northern Gulf of Alaska if a studied and intelligent decision is to be made. At the very least, this proposed lease sale should be delayed at a minimum of $\frac{1}{2}$ to 2 years as Gov. Hammond suggested at the hearings in Yacatat last week, to allow time to rectify this deficiency. How can the Department make a decision with such insufficient information??? Or, has the decision already been made???

We wish to go on record as fully supporting the State Adm. position to delay the proposed sale to gather more information and allow the state at least some time to plan for impact. After all, we are presently staggering under the impact of the Trans-Alaska pipeline land construction! And now with the proposed OCS leases breathing down our necks, it seems as if the federal government and the oil companies are thinking of Alaska only as a "giant socket" for the nation to plug into regardless of the state's needs and wishes.

It is obvious throughout the whole statement that insufficient data exists specifically on the Northern Gulf of Alaska. For example, on pg. 116 it states:

"Almost no work exists on zooplankton of bays and estuaries of the Gulf of Alaska".

And then several pages later, it lists almost all species as feeding on plankton! As these organisms are one of the basic components of the marine food chain, we suggest that not looking into the effects of chronic oil spillage on zooplankton, indeed not even knowing what is there, is a significant omission.

As another very important example, on pg. 100, under the discussion of "primary production" the statement is made that "studies of primary production for the northern coastal region of the Gulf do not exist in the current literature" and goes on to say all estimates are based on data from the Northeast Pacific and from general knowledge of production in coastal zones. We submit the pages following that statement of estimates and species of phytoplankton are meaningless. At best, they are educated guesses. And such guesses should not be acceptable to the American people, particularly as a basis for making a decision which could forever destroy renewable food resources for a onetime extraction of a nonrenewable resource.

There is also insufficient data on climatological conditions and physical oceanography. Such factors as wind, fog, and precipitation are very severe in the Gulf and very adverse conditions for humans to be working under. Currents, tidal changes, and wave action will have enormous effects on drilling platforms and subsea units. Does the technology really exist, or is the industry extrapolating from other, not truly comparable areas??? It is entirely possible that the physical conditions of the Gulf of Alaska may be so hazardous that the cost of extracting energy in the form of oil and gas from this area is far greater than the value received.

A very important point not addressed in the EIS is the lack of a cohesive national energy plan. Until there is such a plan delineating energy reserves as to location and amount, what is the purpose of rushing in and leasing large tracts under this "energy self-sufficiency" banner??? In the name of action and doing something visible? We think a more democratic position would be to enlist the help of Congress and the people in determining just what is the "national interest" where do we want to go for energy to run our economy and society?? Oil and gas? Solar? Geothermal?

Alternative C - WITHDRAW THE SALE gives a viable and presently available alternative: that is energy conservation. If people can still get cheap energy (petroleum products) the incentive to conserve or decrease use is not there. The only way usage will be decreased is if the source of energy is not there. Nowhere in the statement is there documented proof for the need for more oil, in fact, it states (pg. 753) that "energy conservation offers the only option for matching energy requirements to available supply. The goals of national self-sufficiency and conservation of natural resources are best achieved through energy conservation". In other words, we already have enough if conservation measures were initiated. In the face of the enormous waste in our system, why even think of leasing the OCS off the Gulf of Alaska before first getting the "house in order"?

According to our information, the only slightly comparable area in the world for offshore drilling is the North Sea. Yet the statement continually pulls from data and experience in the Gulf of Mexico. And both the North Sea and the Gulf of Mexico have land areas on three sides - the Gulf of Alaska faces the open ocean.

In the Baldwin's book, Onshore Planning for Offshore Oil, (literature cited pg. 620) several important observations are made:

1. Pg. 163 - "Unlike large oil spills which may occur once offshore oil activity begins, onshore support development will certainly occur; furthermore when offshore fields are depleted, the social, economic, and

environmental changes will remain. Ecological and economic impacts are particularly profound when oil facilities are attracted to previously undeveloped areas... these developments make local economy entirely dependent on oil and thus vulnerable to the boom-and-bust cycle of the offshore industry".

2. Pg. 168 - "Oil companies, contractors, pipe layers and other support activities seek to minimize cost and maximize profits. They are likely to choose sites for their operations because of their own needs, not those of communities themselves".

Has the oil industry solved problems in areas where it has come in, or has it just created them? We believe the benefits of economic expansion do not outweigh the detriments to the environment and social/cultural impact on Alaskan life.

We are in a period of profound transition and rethinking of our energy usage and extraction from the earth. If it is to be believed, we are in an energy crisis. The medical definition of crisis means the turning point in an illness - the illness here being our addiction to oil. A crisis means whether or not the patient will recover or die. We will undoubtedly go through withdrawal. Will this country be able to survive on much lower levels of energy consumption? Luckily, we still have plenty of warning to reverse this addition if we act soon. It would be wise to stop seeking new answers in old solutions to our energy problems. Does it make sense to destroy our environment which gives us life , to perpetuate our wasteful way of living?

Finally, in the words of the statement itself, this whole operation has a "relatively high aesthetic degradation potential". The impact of the project has nothing but adverse effects upon fish and wildlife, coastal land use, and the economics of Alaska - another boom-and-bust to further unstabilize our state economy. Our state's most valuable natural resources such as scenery, wildlife, etc. are renewable. Should these be sacrificed for a finite, nonrenewable resource? How many tourists will come to Alaska to see oil rigs and pipelines? As the statement says (pg. 570) "the reaction of a tourist to an oil slick is unknown..."

Alaska is more important as she is to this nation, both aesthetically and culturally.

In conclusion, we have several questions for the Interior Dept. to answer on the proposed lease:

1. What in depth studies have been done concerning interaction between marine traffic from the OCS activity and the supertankers from the Trans-Alaska pipeline?

What regulations will the USCG set up? They have been asked to comment on the impact statement and apparently were not consulted during the statement preparation.

2. Why can't the leases be delayed for $\frac{1}{2}$ to 2 years (pg. 746) to allow for completion of all environmental baseline data to meet the Department's own objectives? (Pg. 747)
3. How much consideration is being given the proposal that the government do drilling, etc. before leasing to the oil companies? The federal government could do its own detailed seismic studies and exploratory drilling prior to leasing rather than relying on private industry to discover after leasing how extensive these publically owned resources are. The OCS areas belong to all the people of the US and they should have access to this information.
4. What about the fact that the probability of waves being over 8 ft. is 50% in DJFM, 20% in AM, 25% in JJAS and 40% in OND (Pg. 745) that there is "presently no known method of containment or cleanup that is effective in turbulent seas where wave heights exceed 8 ft" (pg.668)????? What good are contingency plans then????
5. Why should we accept a continuous level of chronic "unavoidable" oil spills? By the statements own admission they don't know the long term effects of oil pollution on the seas or life in the seas. What effect will this have upon the food chain?
6. No national energy policy, elucidated by the people and Congress with public input exists and why are these leases being offered without such a plan??? How and who is saying this leasing is in the "national interest"? What is the national interest? There are no elected officials involved in making this decision! No natural checks and balances in this issue - one person the Sec. of Interior - will make this decision.
7. What is the availability of trained technical personnel for operating and building drilling rigs or subsea units for the Gulf of Alaska waters?
8. How is Interior planning on working with the State that currently has no coastal zone management act? Who will have jurisdiction for wastewater discharge, etc.?? EPA? USCG? The state?
9. What is the critical point at which oil cannot be absorbed or eliminated by living organisms? Research on this very important point is incomplete. (see The Frail Ocean, Marks).
10. What is the environmental cost (irretrivable losses) compared to economic benefits? Where is the analysis of how much energy will be used to get out the oil and gas in the lease area? What will be the net gain in energy to our country????

P.O. Box 1159

Cape Yakataga, Alaska 99560

Anchorage, Alaska 99510

15 August, 1975

Dear Sir:

I would like to express my views on the development of the offshore resources in the Gulf of Alaska. First as a concerned citizen and resident of Cape Yakataga, Alaska and, secondly as a business woman whose income is principally derived from oil and oil related industries.

Our Gulf is beautiful, virgin and really too splendid for me to put into words. I do not know this just from reading magazines, seeing pictures or watching television; Cape Yakataga is a part of me, I live it daily. My love for the beauty of nature is great enough to endure the many hardships of living in remote Alaska. Few environmentalists can say that! I will stay here as long as I am strong enough to take it and then I will quit like so many others. Why? Because no few individuals can settle these vast Alaskan regions by themselves. We must develop, grow and settle; it is unrealistic to think any other way. We can no longer just live off of the land by trapping or mining. We must develop our other natural resources to give us jobs and provide a living to those who want to live where they choose. One industry will open the door to others. If it is the oil industry in the Gulf, so be it. Yes, I am honest enough to say my income comes from the oil industry as does millions of other Americans. The oil industry is the largest and the most powerful industry in these United States, who could be more capable of developing the Gulf of Alaska? We Americans must rely on our own country, our own technology to develop this much needed source of energy. We must start developing it right now while there is still time to do it carefully and properly.

When I first came to Cape Yakataga the very thought of an oil well within a thousand miles made me ill. Since then I've seen the oil companies in action here, I've talked with their geologists, I've talked with their crews, I've studied and read to educate myself on what's going on in the oil industry. I have seen the time and money spent by the oil companies to make sure that things go right. I have faith that they will not destroy my beautiful Cape Yakataga home.

Sincerely,

Betty Varney

R. H. 11

Written only

ALASKA AERONAUTICAL INDUSTRIES, INC.

ALASKA'S COMMUTER AIRLINE

C FICATED ALL WEATHER
AIR TAXI & CHARTER SERVICE

GENERAL OFFICES
Airport Annex - Box 6067
Anchorage, Alaska 99502
Phone (907) - 277-6882

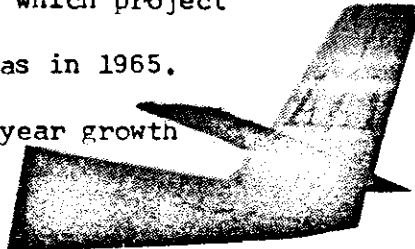
Good morning, Gentlemen. My name is Douglas Haynes of Alaska Aeronautical Industries, Inc. AAI is a small scheduled airline serving the Cook Inlet basin area. The oil industry is, perhaps, the major user of our service.

We do not serve the area from Seward to Yakutat, however, the coastal communities expected to receive the greatest amount of activity from future exploration and development in the northern Gulf of Alaska. I point out the connection because the AAI operation would be considerably smaller without the revenue from the oil industry and it is very unlikely that some of the points we serve would have scheduled service were it not for that revenue base.

Now the air taxi operators in Alaska are, for the most part, doing a fine job and I don't want to sound like I am criticizing them. But their operating costs are high and, consequently, travel in those parts of Alaska where there is no scheduled air carrier can be a problem and is certainly relatively expensive. So a lot of our customers are benefiting from the oil industry activity here, whether they realize it or not.

I am sure the same situation will be the case, if and when oil production and development comes in the Gulf Coast area. Cordova, Valdez and Yakutat have scheduled service now, of course. But increased competition and frequency of flights is almost inevitable.

Now I would also like to comment on the national aspect of this situation. I have recently been shown figures of the U. S. Bureau of Mines which project the U. S. will be using at least twice as much energy in 2000 as in 1965. That low estimate is based on a very conservative 2 per cent a year growth rate.



At four per cent the demand would be the energy equivalent of about 40 billion barrels of oil per year in 2000.*

While other energy sources will certainly meet a large share of that future demand, there will obviously be need for large amounts of oil and gas for fuel, lubricants and petrochemicals. With other countries showing a natural concern about preserving sufficient reserves to meet their long term requirements, the United States can't rely on those sources. Domestic reserves must be found.

That means starting exploration of Outer Continental Shelf areas, such as the Fulf of Alaska, as soon as possible. It must be kept in mind that intensive exploration under the waters of the Gulf of Mexico began some 25 years ago. That area appears to be just now peaking in oil and gas production.

Thank you, Mr. Chairman.

#



P.O. BOX 497
KENAI, ALASKA 99611
OIL CAPITOL OF ALASKA

RESOLUTION OF
GREATER KENAI CHAMBER OF COMMERCE

WHEREAS the entire OCS leasing program is part of a national plan to increase oil and gas production and reduce reliance on foreign energy sources as soon as possible, and

WHEREAS consideration is being given by the Bureau of Land Management to proceed with leasing of OCS tracts in the Gulf of Alaska, and

WHEREAS the City of Kenai has had the unique experience of being a beneficiary of major onshore petroleum development in the State of Alaska, and

WHEREAS the impact of that development has been beneficial in improving property tax valuation in both petroleum and non-petroleum oriented properties, and


WHEREAS this increased valuation has permitted our City to grow and provide all the services we enjoy today, and

WHEREAS this growth has occurred without significant detriment to our environment, and

WHEREAS we have previously submitted testimony before the Council of Environmental Quality Hearings on "Outer Continental Shelf and Gulf of Alaska Exploration & Development" in Anchorage, Alaska, on September 27, 1973 (copy of that testimony attached hereto as part of this resolution), and

NOW, THEREFORE, be it resolved that the Board of Directors of the Greater Kenai Chamber of Commerce supports prompt leasing of the OCS tracts in the Gulf of Alaska by the Bureau of Land Management, and urges the Federal Government to do everything possible to expedite rapid exploration of and early production of any oil and gas that may be found on the offshore lands leased.

PASSED AND APPROVED THIS FIRST DAY OF AUGUST, 1975



G. E. Day, President
Greater Kenai Chamber of Commerce

KENAI CHAMBER OF COMMERCE

TESTIMONY OF

OSCAR L. THOMAS, DIRECTOR

BEFORE THE

COUNCIL OF ENVIRONMENTAL QUALITY

HEARINGS ON

OUTER CONTINENTAL SHELF AND GULF OF ALASKA EXPLORATION AND DEVELOPMENT

ANCHORAGE, ALASKA,

SEPTEMBER 27, 1973

My name is Oscar L. Thomas. I am a Director and past President of the Kenai Chamber of Commerce. I am also Vice President and General Manager of Kenai Utility Service Corporation, a natural gas distribution company operating in Kenai Alaska. I appear today on behalf of the Kenai Chamber of Commerce and its President, Mr. Richard Stetler.

The Council has indicated a desire for information on specific topics in its consideration of the advisability of oil and gas exploration and development in the Gulf of Alaska. Of these, "Potential Effects of Onshore Development" is the issue to which we will speak today. We are, perhaps, uniquely qualified to testify on this matter. To date we are the only Alaskan community to have experienced the impact of major onshore petroleum development. The City of Kenai lies geographically in the midst of Alaskas' only currently productive reserves, exclusive of Pt. Barrow with its minimal amounts of natural gas production. To our immediate south lies the Kalifonski Gas Field supplying natural gas for domestic consumption to the Kenai Peninsula and the City of Anchorage, as well as far larger quantities of gas to two huge processing plants which convert the commodity for export. Contiguous to our easterly city limits we have the Beaver Creek Field which has recently become productive of oil, and where we understand continuing development is taking place. To our north and northeast we have the Swanson River Field, another onshore development that gave the industry its beginnings here in 1959. ¹⁹⁵⁷ Further north and northwest the fourteen Cook Inlet offshore platforms pump the production from several hundred wells to onshore sites for processing and shipment. These sites are located just a few miles from downtown Kenai. They include the Collier-Carbon and Chemical Plant, Phillips Petroleum Gas Liquification Plant, Standard Oil Refinery and Tesoro Refinery. We feel that the experience of our community in its relationship with the development outlined herein should establish our credentials to address ourselves to the subject at hand.

In sharing with the Council our interpretations of what has actually occurred on the Kenai Peninsula as a result of petro-chemical activities, we will touch mainly on the socio-economic results and environmental impact of these activities.

The Kenai Peninsula Borough was formed in ¹⁹⁶⁴1965, about the same time that the oil and gas activities began to emerge as a major development. In comparing our economic picture at that time to our present outlook the difference is, broadly stated, as the difference between night and day. Through the courtesy of the Kenai Borough Assessor's office we have compiled the following statistics:

1. Total 1965 Real and Property Tax Valuation-\$95,000,000.00. Of this amount, approximately \$30,000,000.00 was directly related to oil and gas properties. These properties would include pipelines, refineries, processing plants, oil and gas fields, service company holdings and other petroleum-oriented properties. It is seen, then, that exclusive of the industry, the total Borough Tax valuation was \$65,000,000.00
2. Total 1973 Real and Property Tax valuation-\$575,000,000.00. Of this amount, approximately \$405,000,000.00 is related to oil and gas properties as defined above. We have then, a 1350% increase in petroleum properties and a 290% increase in other properties for the eight year period.
3. In 1965 the Borough Tax Levy was at five mills. After eight years of spiraling inflation, eight years of constant expansion in the scope of Borough services to the people, our 1973 tax rate is - the same five mills. We wonder how other Alaskan communities have fared in this respect in this time period.

Along with this favorable tax position, which accrues to the benefit of all of us, there are other important considerations. In 1965 the City of Kenai was, quite frankly, a rather dreary little hamlet with a population of about 700. Among the social necessities that were either limited, sub-standard or non-existent were schools, fire and police protection, shopping facilities, churches, public works, hospital and other medical and dental facilities, housing, recreational facilities and year around employment opportunities. Here again, we see a dramatic change. Within the City of Kenai three new schools have been constructed; elementary, junior high and vocational training. Fully staffed and equipped fire and police departments are housed in a public safety building completed last year. A million dollar shopping mall, complete with super market, department store and a variety of consumer product and service shops, now sits in the center of Kenai alongside a five lane highway completed in 1972. The number of our churches has tripled. Water and sewer utilities have been and are continuing to be, installed throughout the city as well as a

natural gas distribution system. A sophisticated sewage treatment plant went into operation earlier this year, protecting Cook Inlet waters from the pollution of our domestic effluents. A well equipped medical center continues to expand as do dental facilities and related services. A wide variety of modern homes and apartments is now available in well kept subdivisions.. Municipal parks, a race-track, rifle range and other recreational needs are being provided or planned for. In neighboring Soldotna, eleven miles distant from us, a fine new hospital has been built along with a new community college as well as a modern office complex housing the Borough administration offices and those of our school district. Lastly, a serious, qualified job seeker is much more apt to find full time employment then he would have been in the days when seasonal salmon fishing was the only industry sustaining the community.

Gentlemen, we submit that all of these things have come to us solely as a result of onshore development on the Kenai Peninsula. They have come to us in an orderly, well thought out progression of events that have posed no serious problems with respect to either the social or ecological environment. As social needs have been expanded, so has the industry given to the community the affluency to meet them. As our awareness of the increasing need to protect our ecology becomes more and more acute, so does the industry respond with planning, technological advancements and a genuine will to provide the all important development of our resources while maintaining a good balance with nature. Dating back to the previously mentioned Swanson River discovery in 1959 we are aware of no significant damage to our air, our land or our waters that are attributable to petroleum industries. Had there been, and surely there may someday be, such damage there is a fitting perspective to consider. Our world population continues to increase at an almost unbelievable pace. There are tremendous demands being placed on the development of our natural resources. If there is a price to pay for such development let us recognize it. Let us make every effort at our disposal to minimize it. Then, let us proceed to do what we all know must be done.

In a very selfish sense we on the Kenai, are very sensitive to a certain environment-related potentiality. As local residents, and most assuredly the Anchorage population must be included here, we see our natural gas reserves being snapped up by outside markets more rapidly than they are developed. Alternative energy sources are not palatable to us. Winter temperatures in the area often drop to minus forty degrees fahrenheit and thermal inversion layers in our air are common. The combustion products of coal and oil, when used as heating fuels, can combine with automotive exhaust emissions and be trapped under such circumstances, polluting our air to a degree of extreme hazard to human well being. Our neighbors in Fairbanks can well testify to this. The development of petroleum resources in the Gulf of Alaska would tend to relieve the pressures on our local gas reserves, insuring us a continuing supply of natural gas for our own relatively small but ever increasing needs.

In summary, we have tried to illustrate that the onshore development of petroleum resources on our peninsula has provided us with widely varied benefits which far outweigh any negative factors. We do not advocate, nor would we stand for, the rape of our ecology. Most of us live here by choice and consider this land as ours. We intend to protect it. We have seen the performance of the petroleum industry over a span of years and are satisfied with that performance. We consider ourselves fortunate to have the industry active in our midst. We see no reason why the experience in our area with on-shore development cannot be duplicated anywhere in Alaska, or for that matter, in the world.

The Kenai Chamber of Commerce appreciates very much the opportunity to appear before this Council. We respectfully submit that the Council on Environmental Quality should recommend to the President of the United States that petroleum exploration in the Gulf of Alaska should proceed as soon as possible.

*written
only*

STATEMENT OF R. DEAN ALLEN PREPARED FOR PUBLIC HEARING ON THE PROPOSED LEASE SALE
(#39) OF OIL AND GAS ON THE OUTER CONTINENTAL SHELF - IN THE GULF OF ALASKA
AUGUST 12, 1975, ANCHORAGE, ALASKA.

My name is R. Dean Allen. I have lived in Alaska for almost ten years. I am a former manager of petroleum engineering in Alaska for a major oil company. Since 1969, I have been an entrepreneur involved in supplying food & housekeeping and operations & maintenance services to the petroleum industry in Cook Inlet and at Prudhoe Bay. These service companies are frequently allied with Alaskan Native corporations created under the Land Claims Settlement Act. Our work force of almost 100 is predominantly Alaskan.

With a background such as mine it must come as no surprise that I favor OCS leasing in the Gulf of Alaska, and at the earliest date possible. My 23 years in the petroleum industry has in large part been centered around exploration and development projects. I am keenly aware of the time lag from lease sale to fully developed oil production. Exploration cycle time almost always exceeds five years and usually is closer to ten years. At a time when our Nation's developed oil supply is not meeting critical energy demands, it makes a great deal of sense to open up exploration to those vast unexplored areas beneath the sea.

I have followed ocean technological advancements since my first exposure to offshore development in the mid-fifties. The techniques and procedures for safe offshore exploration and production of petroleum are already largely developed. The vast majority of work done offshore has resulted in no disasters of any kind. The few accidents that have occurred have resulted in little permanent damage to the environment. I have confidence the industry is ready for the Gulf of Alaska.

The positive impact of oil industry efforts in the Gulf of Alaska should follow a well traveled path of industry involvement in the communities with which they come in contact. Individuals directly employed by the industry receive incomes substantially above average in the State. A large share of the incomes is spent on goods and services within Alaskan communities creating secondary effects of increased employment and incomes in support industries. Taxes on increased personal incomes are revenues to the State. Onshore facilities are tax bases for tax-empowered entities - borough or city. These taxes are used in providing community health and social services and public facilities, often times where none may ever exist without the revenues from oil. The petroleum industry has consistently supported local charities, educational institutions and community hospitals. They provide leaders of proven capability who voluntarily spend many hours and contribute many thousands of dollars every year to community projects.

As a supplier of labor and other services in Alaska I can make the following observations from experience. The opportunities for local employment on a long term basis occur mainly with production activity. The producing platforms require a permanent work force of mechanics, electricians, production operators, crane operators, welders, cooks and an assortment of unskilled helpers. These positions are usually given to qualified locally-based personnel on a preference basis. Training for some of the jobs is afforded by the contractor or by the oil company. Other jobs require skills common to several industries which may be locally available, but under-utilized by the communities. Commonly, work schedules are such as to provide ample time to participate in personal pursuits currently being enjoyed by the local work force. Most production employees on remote Alaskan oil operations work one week on and one week off.

For those employees not hired locally, the oil companies have provided long distance rotation from more populated areas, such as Anchorage and Fairbanks. Thus,

although, undoubtedly some permanent influx may be expected into coastal communities, this impact is not as great as might be expected. Prudhoe Bay, for example, has only a handful of "permanent" residents. The rest are rotated from communities as close as Barrow and as far away as Anchorage. Where facilities are needed to house and feed workers, temporary camps are erected which have their own sewers, water and utilities, thus limiting to some extent the impact of even the temporary surge of workers on the local community. Transportation and communication facilities initially are usually overtaxed when the industry activity concentrates in a locale, but these systems are quickly expanded leaving in the wake of activity a much improved condition for those remaining to enjoy the life style they choose.

It is my intention to offer our companies' capabilities in support of the petroleum industry's efforts in the Gulf of Alaska, and it is my plan to include the people of affected areas in the opportunity. This will consist of the offer of jobs to local residents and joint venture efforts with the Native village and regional corporations where feasible. We pledge to assist local communities in planning for and coping with the impacts of such oil activity in their area, if they wish our help.

STATEMENT OF RAYMOND I. PETERSEN, PRESIDENT, WIEN AIR ALASKA, INC.
BEFORE THE U. S. DEPARTMENT OF INTERIOR, BUREAU OF LAND MANAGEMENT,
HEARING ON PROPOSED OIL AND GAS LEASING ON THE OUTER CONTINENTAL
SHELF, NORTHERN GULF OF ALASKA.

Although Wien can expect little direct benefit from Northeastern Gulf of Alaska oil activity, a socioeconomic study made by Mathematical Sciences Northwest, Inc. for the oil industry indicates a major development there would have the greatest population impact in Anchorage where Wien operates. The Anchorage area population would increase by several thousand, while coastal communities would receive only a few hundred new residents, the study concluded.

Every business in Alaska, including Wien, now doing business with the oil industry must plan future growth and capital investment on the assumption there will be a continuing and orderly program of exploration and development in Alaska by the industry. To unduly delay the Gulf of Alaska activity will disrupt this orderly expansion and could lead to over-investment which would probably be economically disastrous for some small companies.

The air transportation industry is a large oil consumer and many Alaskans are nearly totally dependent on air carriers for their needs. Should another international crisis lead to an acute fuel shortage in the future, Alaska might have trouble getting the fuel it needs if the rest of the nation felt that Alaskan oil reserves were being held by selfish interests.

The main arguments against the development in the gulf is that pollution will damage and perhaps destroy the fisheries, that the way of life in coastal communities will be destroyed, that shoreside facilities will be a cost burden to the State for which it will receive no benefits and that a state coastal zone management law

is necessary to permit better state control of the activity.

In my opinion there is no scientific evidence anywhere in the world, including Cook Inlet, to support the first. Anyone who has visited Alaska villages on a recurring basis should know that the "way of life" is undergoing constant evolution and the Native Claims Settlement is having a far greater impact than any single commercial activity could.

When I came to Alaska in 1934 there was an estimated 30,000 Eskimos, Indians and Aleuts in the territory. The balance of the total 60,000 population were Caucasian and other. Today I understand there are 75,000 natives and the population is increasing rapidly due to improved health services in recent years. The life style of these people today is a far cry from their igloo dwelling subsistence living style of their parents and grandparents. The old fish-burner powered transportation and seal oil lamp heating has been replaced by petroleum products. There is no turning back!

The Air Transport Association has recently released figures showing the scheduled airline industry incurs costs of \$1.4 million per day for each cent that the price of fuel increases. In the case of my company, Wien Air Alaska, a one cent increase at present consumption costs the airline a quarter of a million dollars a year. Total increase in Wien's costs for the year 1975 over '74, will be close to \$4 million.

The point I am trying to make is the necessity to find vast quantities of oil within and offshore of the United States of America. Only with an adequate supply of petroleum can the market system really work. The oil companies are highly competitive and given

the opportunity through exploration can and will reduce the price of petroleum products, or at the very least hold it under inflationary conditions.

As for the third argument, any shoreside facilities are subject to state taxation and it will be the responsibility of the Department of Revenue to see that actual costs are recovered by that means. Finally, state officials, have stated that state laws now exist to achieve adequate control over any coastal activities. A coastal zone management law would simply streamline the administration and, theoretically, give the State some say-so over the activities of federal agencies. Emphasis should be put on the word "theoretical", however. Those same agencies would have to first approve any state CZM plan calling for this exercise of state authority.

I wish to conclude by urging oil exploration in all areas under the U. S. flag as expeditiously as possible, taking into proper account environmental necessities.

*letter
only*

Tenneco Oil
A Tenneco Company

Tenneco Building
P.O. Box 2511
Houston, Texas 77001
(713) 229-2131



August 12, 1975

Mr. Edward Hoffman, Manager
Alaska Outer Continental Shelf Office
Bureau of Land Management
P. O. Box 1159
Anchorage, AK 99501

Re: Public Hearing - Draft Environmental Impact Statement
Gulf of Alaska - Proposed OCS Lease Sale No. 39

Dear Mr. Hoffman:

Reference is made to the public hearing which you are holding in Anchorage August 12 and 13, concerning the environmental impact which a possible sale of oil and gas leases on the Outer Continental Shelf of the Northern Gulf of Alaska might have upon the adjoining land, the people of the great State of Alaska and this nation as a whole.

Tenneco Oil Company feels this sale and others that have been proposed in the frontier areas of the Outer Continental Shelf should be held. We know of no other domestic region within this industry's reach that offers the reserve potential to solve this nation's immediate and critical energy shortage. Given the opportunity by making leases available, with reasonable incentives and minimum restraints, the petroleum industry can and will, safely, explore for these potential reserves.

For me to offer further testimony in support of the foregoing statements, it would only be a redundancy to the testimony you will hear and witness today as will be presented by the Gulf of Alaska Operators Committee. Tenneco Oil Company is a participating member of this committee and fully endorses the testimony which they will present to your panel today.

In the interest of conserving the panel's time, we respectfully ask that our statements and endorsement of the Gulf of Alaska Operators Committee's testimony be entered into your record of these proceedings.

Yours very truly,

Jack Morris
Jack Morris
Land Manager-Frontier Projects
North America

JM:pb

written
only



POLAR AIRWAYS, INC.
2600 EAST FIFTH AVENUE
ANCHORAGE, ALASKA 99501
PHONE 279-5555

STATEMENT REGARDING OUTER CONTINENTAL SHELF LEASING

Thank you, Mr. Chairman.

I am Dr. Royce Morgan, President of Polar Airways, Inc., a Certificated Scheduled Air Carrier operating in this state. I endorse the Interior Department's plan for accelerated OCS leasing that would permit a sale in the Northeast Gulf of Alaska late this year.

I find several good reasons for proceeding. There are several in the Aviation business who have applied for operating rights at Yakutat who believe that revenue would come to their businesses by serving the oil industry there.

The future of Polar Airways is predicated to a great extent on continued economic development by the oil industry. But so is the entire state of Alaska's future to a large extent. It is estimated that a majority of Alaska's revenue in the near future will be derived from the oil industry.

In the first chapter of the first book of the Bible, "God said, 'Be fruitful, and multiply, and replenish the earth, and subdue it' ". I believe orderly development of our natural resources is in line with God's plan for man and the earth. I would hope that development of the petroleum resources in the Gulf of Alaska is part of that orderly sequence of activity.

Thank you, Mr. Chairman.

Royce H. Morgan

Royce H. Morgan M.D.
President
POLAR AIRWAYS, INC.



Marathon
Oil Company

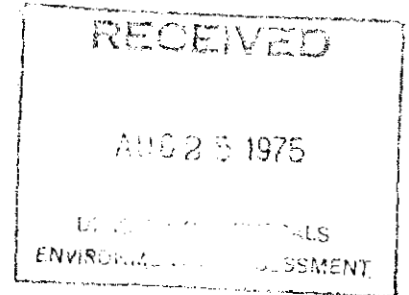
S C Sandusky
Manager Anchorage Division
Production US & Canada

ALASKA OCS OFFICE
ANCHORAGE, ALASKA

PO Box 2380
Anchorage, Alaska 99510
Telephone 907/274 4511

August 22, 1975

Director (732)
Bureau of Land Management
Washington, D.C. 20240



Dear Sir:

Proposed OCS Lease Sale #39, Gulf of Alaska

Marathon Oil Company wishes to add its support to the testimony presented by the petroleum industry through the Gulf of Alaska Operators Committee at the hearing held in Anchorage August 12 and 13 concerning the Draft Environmental Impact Statement for the referenced sale.

In addition, we believe the testimony of Mr. R. W. Bybee and others, with regard to delay of the sale, deserves special attention. Advocates of such delay state they need time for social-economic impact planning. We concur with Mr. Bybee's judgment that many of the essential ingredients of the final planning process are now imponderables (e.g., number of fields and their location, number and location of pipelines, nature and location of required auxiliary facilities, number of people needed in the operation, and the time schedule) and that hard data concerning these items will become available progressively during the long lead time between a sale and production. We believe that anticipatory planning can and should go forward so that when real data are available, implementation will be orderly, but that delay will serve no useful purpose.

There are also some who cite the need for baseline studies as reasons for delay. We do not believe that such studies will supply information that would affect the decision making process except, perhaps, to support a sale. For example, it is generally recognized that the Gulf is or borders a substantial fishery. Knowing the exact magnitude of that fishery in terms of fish counts and so forth would not materially add to hard data based on historical catches nor to the resulting need for enlightened regulations governing

Director (732)
August 22, 1975
Page 2

operations. On the other hand, if the baseline studies found limited fishing or negligible habitat in or adjacent to the sale area, leasing should proceed and the delay would have been for nought. However, we do believe that data-gathering opportunities provided by the long lead time will assist in developing the necessary regulations and operational plans and techniques to protect the environmental conditions actually found to exist.

Accordingly, Marathon urges that the sale be held as scheduled.

Yours very truly,



S. C. Sandusky

Alaska State Legislature

SENATOR
ROBERT H. ZIEGLER, SR.
P. O. BOX 979
KETCHIKAN ALASKA 99901

POUCH V
JUNEAU, ALASKA 99811



ALASKA ODS OFFICE
ANCHORAGE, ALASKA

SEP 3 11 14 AM '75

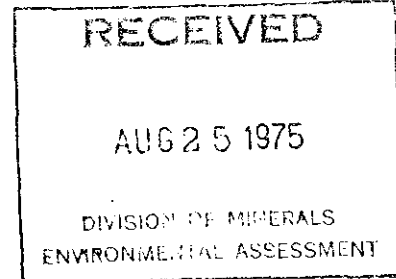
CHAIRMAN
JUDICIARY

MEMBER
COMMERCE

LEGISLATIVE COUNCIL

Senate

August 21, 1975



Director (732)
Bureau of Land Management
Department of the Interior
Washington, D. C. 20240

Re: Proposed Lease Sale (#39)
Outer Continental Shelf/Gulf of Alaska

Dear Sir:

My name is Robert H. Ziegler, Sr. I am a partner in the law firm of Ziegler, Ziegler and Cloudy in Ketchikan, Alaska, past president of the Alaska Bar Association and an 11-year member of the Alaska State Senate, representing District A. I would like to submit the following to you in support of the captioned lease sale.

Beyond a doubt, the national energy situation is grave and will probably get worse before it gets better. Our national efforts to develop alternate energy sources should be redoubled. Even so, there will be a continuing need over a number of years to rely on fossil fuels to stay even, much less gain. Much of our fuel requirements must still be met by oil and gas which, as I understand it, will be found largely in the offshore areas. I therefore urge that the proposed oil and gas lease sale in the Gulf of Alaska be held.

From news accounts, I gather that in the hearings held August 12th and 13th of this year in Anchorage, the major point of disagreement was not whether or not the sale should be held, but, rather, when the sale would be held. My views on this matter are reflected by the lead editorial published in the Anchorage Daily Times on August 7, 1975, a copy of which is attached for the record.

Those who doubt the oil industry's ability to operate safely in the Gulf of Alaska are, I believe, a shrinking minority. However, from news accounts available to me, representatives of that minority appeared at your hearings. The view I hold on that matter is reflected well in another Anchorage Times editorial. This editorial, published on August 14th, is also attached for the record.

Another concern growing out of your hearings is the matter of lifestyles in Alaska. Rather than detail my thoughts on that subject, I will endorse the article by Max Brewer, printed in the Anchorage Times on August 3, 1975. A copy of that article is attached for the record.

Director (732)
Bureau of Land Management
August 21, 1975
Page Two


I do have one reservation about the timing of the lease sale in the Gulf. As a Senator in Alaska, I am well aware of the state's need for revenues. Our annual budget is now in the \$600 million range. Half of this will come from the oil industry. It is my firm conviction that most taxpayers in Alaska--including the oil industry--should not be burdened with additional taxation. Therefore, the financial assistance needed by the State of Alaska and its coastal communities to cope with the initial impact of oil and gas development in the Gulf of Alaska should be met by the Federal government. An equitable revenue sharing system should be enacted by Congress to provide such funds.

While revenue sharing is needed in Alaska, the national need for additional oil and gas supplies is greater and, therefore, I support the lease sale in the Gulf without qualification. At the same time, it cannot be emphasized too strongly that to proceed without a revenue sharing plan would be unfair to Alaskans.

I urge both revenue sharing and the lease sale--in that order.

Thank you for allowing me to make this statement for the record.

Very truly yours,


Robert H. Ziegler, Sr.

RHZ/pkz

enc.

EDITORIAL PAGE

Anchorage Daily Times

ROBERT B. ATWOOD
Editor and Publisher

WILLIAM J. TOBIN
Associate Editor
And General Manager

CLINTON T. ANDREWS JR.
Managing Editor

Page 6

Thursday, August 14, 1975

Drilling In The Gulf

PLENTY OF KNOW-HOW

IMPRESSIVE technical and scientific data supports the oil industry's argument that petroleum exploration and development can safely take place on the Outer Continental Shelf in the Gulf of Alaska.

Against this array of information, only fuzzy and vague allegations expressing a fear that the job cannot be done have been offered to counter federal plans to stage an offshore lease sale in December.

The different viewpoints were expressed here this week in testimony before an Interior Department panel soliciting comment on a draft environmental impact statement on OCS operations.

By any fair assessment, the pro-development forces were by far more informed, prepared and back-grounded than were those who spoke in favor of delaying the lease program.

THE OIL industry was represented at the hearing by a contingent of experts who have been busy for years with all sorts of studies relating to development off the Alaska coast. Working under a jointly sponsored project known as the Gulf of Alaska Operators Committee, the industry has assembled some of the best technical experts in the world to determine what the risks and potential might be.

Nothing in the findings, said Howard Slack of Atlantic Richfield, "would preclude operations" in the

Gulf.

John H. Silcox of Standard Oil of California pointed out there has been "a mass of documented data," some of which has been grossly ignored by those who conjure up visions of environmental destruction.

Yet in the face of this testimony and the back-up data, state officials denied that proper biological and technical research has been done and said it would have to be done after the leasing.

Furthermore, the state contended that it was caught by surprise when a lease sale was announced -- as though hit by a bolt from the blue.

THE FACT is that it has been known for years that a Gulf of Alaska lease sale would be forthcoming.

That's why the industry formed the Gulf of Alaska Operators Committee some years ago, and that's why all of this biological and technical data is in hand -- even if the state would like to pretend it doesn't exist.

It's true, unfortunately, that the state may not be prepared. But is not true to suggest that the industry has been deficient. It hasn't.

Instead, it has the technical know-how and ability to proceed.

If Outer Continental Shelf development is blocked, the delay will be for political reasons, not technical ones. And to contend otherwise simply doesn't match up with the facts.

Preservation Of Lifestyles

By Max Brewer

RECENTLY there has been much discussion about the subjects of the quality of life and of the preservation of lifestyles in Alaska. A basic assumption appears to be that the preservation of the existing Alaskan lifestyle is desirable and that it should be maintained at all costs. Indirectly, the assumption seems to be that the existing quality of life, if not quite as desirable as it was 20 years ago, is good and that it is what most of the people want.

THE QUALITY of life is an illusive and ill-defined phrase generally meaning something different to each beholder. The discussions of the subject are carried out by restricted groups talking to like-minded individuals. There generally is little public involvement in the discussions other than reading about them in the news media.

Because they are complex, could be controversial, or might cloud the issue, the questions of whose quality of life and whose lifestyles might be affected are rarely discussed in detail.

IT IS ONLY human nature for those whose lifestyles already are comfortable or enjoyable and whose jobs are secure, to want to preserve the status quo. It also is natural that they might fear change or to fear that any change would automatically be bad. Paradoxically, these fears do not fit with the pioneering

people who exist throughout Alaska, although the strictness of their situation can best be realized through observations made in a native community over a period of time.

IT IS discouraging to know of schools that have been constructed but for which there is no money for school books even two and three years later. It is disheartening to know of schools not having money for hot lunch programs, when these lunches are counted on to build up the youngsters physical condition during the winter months. It is even worse to know that many of the youngsters, even the little ones, hadn't had breakfast and were too hungry to study.

An uncomfortable feeling also is conjured up knowing that some schools have unheated bathrooms; some even have no bathrooms and youngsters use the willows. Sometimes that can be difficult when there are no willows as can be the case in western and northern Alaska.

In any event the experience is far more exhilarating, if not numbing, at 50 below with a sharp breeze, than the vacationer experiences during the summer when all he has to worry about is having a can of insect repellent to keep away the mosquitoes and biting flies.

A SHOCKING experience can be had when a doctor comes heaping for penicillin

While water usage of over about 100 gallons per day, in the absence of industrial uses, usually indicates an inadequate or inefficient system, usage of under 50 gallons per day per person not only indicates an inadequate system but also a health hazard.

Disposal of untreated sewage to the waters of the state and more particularly the land surfaces of the state poses extreme health hazards. It also causes deterioration of the environment, particularly where populations are concentrated and especially in areas where permafrost is a problem.

Such deterioration will continue and will grow until communities and the state not only have the money to construct the required facilities but, even more importantly, the money to operate the facilities once they are constructed. Unfortunately such funding is nowhere in sight, even after completion of the pipeline.

THE QUALITY of remote housing in much of Alaska is grossly inadequate for even reasonably healthful conditions to prevail. Unfortunately, the housing is usually designed for maximum consumption of very expensive energy. This occurs even though we know how to build, with no increase in cost, for much better energy conservation, while at the same time providing additional comfort.

It does not engender confidence to hear young natives complain about our construction of "instant slums" and "drafty and leaky cracker-boxes". It doesn't even give an impression that they have any confidence that people know what they are talking about when they talk about the quality of life.

It does, however, help explain some of their frustrations and their desire to

THE NEED FOR these compromises, or the consequences of no compromises, is not being discussed today. Perhaps we also need to discuss the quality of our life. Perhaps we need to really discuss which lifestyles we wish to preserve, whenever possible, and which lifestyles that we want to change for the better as soon as possible.

Whatever we do, let us look at the whole picture of the quality of life and not kid ourselves. We might even consider holding our quality of life conferences at Bethel, in winter, and at Barrow, during the summer.

Max Brewer, trained as a scientist, is former commissioner of environmental conservation. He is now living in Janau and is a consultant on environmental and Arctic problems.

EDITORIAL PAGE

Anchorage Daily News

ROBERT R. ATWOOD
Editor and Publisher

WILLIAM J. TOBIN
Associate Editor
And General Manager

CLINTON T. ANDREWS JR.
Managing Editor

Page 6

Thursday, August 7, 1975

OCS Hearings

ONE-SIDED TESTIMONY

A CURIOUS double standard is demonstrated by officials of Alaska who tell a group of visiting congressmen that the state doesn't want offshore oil development now, and may file suit in an effort to block a Gulf of Alaska lease sale if the federal government proceeds with plans to put undersea acreage up for lease.

The biggest gun on hand to shoot down federal offshore planning, during the course of a hearing Tuesday at Yakutat, was Gov. Jay Hammond.

His opposition to leasing on the Outer Continental Shelf represented the official administration position. But it is safe to say that he did not speak for all Alaskans when he argued for at least a two-year delay in the lease offering now scheduled for in December.

Instead, he voiced an administrative philosophy which puts environmental considerations above all others and which reflects an attitude that growth is bad, no growth is good.

THE GOVERNOR, of course, has a legitimate interest in seeing that environmental considerations

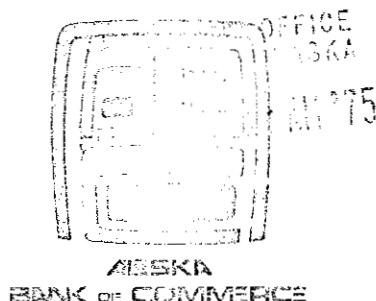
studies, preliminary seismic work and other assignments be carried out without some advance preparation?

THE MAYOR of Yakutat, Larry Powell, complained to the committee that his town isn't prepared for this sort of thing. It has no zoning ordinances, he said.

Surely he doesn't want the oil industry to be responsible for local ordinances. For several years it has been obvious that Yakutat would be a center of activities should federal leases be sold offshore. The town has had ample time to be looking into zoning and other matters that are the obligation of any community, with outside assistance available when it is needed.

It's no criticism of a town of 540 people to say that it lacks the governmental sophistication of a major metropolitan area or that it may lack the skills necessary to cope completely with demands that will arise in connection with sudden industrial growth.

But the state administration has such skills and it should lend a positive hand in a case such as this.



MAIN OFFICE: POUCH 7012, ANCHORAGE, ALASKA 99510 • FORMERLY MATANUSKA VALLEY BANK

August 25, 1975

Director 732
Bureau of Land Management
Washington, D.C. 20240

Subject: Proposed Lease Sale #39
Gulf of Alaska

My name is Albert Swalling, a 45-year resident of the State of Alaska. Address: 2601 Marston Drive, Anchorage, Alaska 99503. I welcome the opportunity to present my views on the proposed sale referenced above.

I hold no claim to fame or expertise as a gas or oil specialist. However, so that you may better evaluate my views, the following is a list of some of the exposure I have had in energy and environmental fields:

Chairman: "North Commission", a study group created by the Alaska Legislature to study, promote, and develop the human and physical resources of Northern Alaska, 1967-1971.

Member: Alaska International Rail & Highway Commission, 1958-1960.

Chairman: Environmental Committee, Alaska Chapter-Associated General Contractors of America, 1972.

Chairman: Environmental Committee, Associated General Contractors of America, Washington, D.C.

Chairman: Energy Crisis Committee, Alaska Chapter-Associated General Contractors of America, 1973.

Member: Fuel and Energy Committee, Associated General Contractors of America, Washington, D.C., 1973-1974.

Member: Fuel and Material Shortage Committee, Associated General Contractors of America, Washington, D.C., 1974-Present.

Member: Governor's Pipeline Commission, State of Alaska, 1970-1971.

Member: Board of Directors, Alaska Pipeline Company, 1963-1972.

Member: Board of Director, Anchorage Natural Gas Company, 1960-1972.

Member: Board of Directors, Alaska Interstate Company, 1968-1972.

President and Chairman: Suntrana Mining Company, Healy, Alaska (Coal), 1953-1966.

President: Swalling Construction Company (Heavy, Marine and Industrial Contractor), 1947-Present.

President: Alaska Bank of Commerce, 1967-1975.

Chairman: Alaska Bank of Commerce, 1967-Present.

Since the announcement of the proposed lease there has been a very active program by the state administration and environmental groups to postpone the sale on the basis that additional time is needed for proper planning so as to lessen the impact on the affected communities. I believe some of these people are sincere, but for the most it is a repeat performance of unending delay tactics.


The sale must be held in order that the search may begin. There is no assurance that either oil or gas in economic quantities will be discovered. The actual initial prospecting will have very little impact on the State as a whole or the particular communities involved.

In a national energy crisis, such as we are now experiencing, an inventory must be taken of our known reserves, and the only sure method of proving a reserve is to drill for it.

Many words have been spoken and printed to the effect that we need more time to plan and prepare for the activity in the gulf. Among the several items mentioned are housing, utilities, staging areas, schools, and motel and hotel accommodations. It is obvious to me that unless the field or fields are discovered we will have no need for these facilities. You show me the mortgage loan officer that would finance, say, 200 living units in Yakutat at this stage, and I'll point to the man heading for early retirement or the school board asking for funds for 20 class rooms on the strength of an unknown, maybe need.

Another item mentioned in opposition to the gulf sale is that when Alyeska comes on full stream there will be a surplus of product on the West Coast and will result in a depressed market, thereby seriously effecting the monetary return to both the federal and state from a royalty standpoint. At this point in time the State has no royalty claim to O.C.S., but it is argued that it could effect the market for Prudhoe and Cook Inlet production. My best information is that this problem has been anticipated and is well on the way of being solved.

My conclusion is that the sale should proceed, exploration should be expedited, the field or fields inventoried, and when this has been accomplished and the need established, the necessary facilities can be provided by both the private and the public sector within their areas of normal responsibility.


A. C. Swalling
Chairman of the Board

to support a positive decision by the Department of the Interior to conduct this sale.

OCS Importance

The impact of the Arab embargo led to the development of a widely held view that this nation must regain a reasonable level of energy self-sufficiency. We currently import 6 million barrels per day of crude oil and petroleum products and the figure is steadily rising. Our dependence on imports adversely affects the nation's security and economic stability. We are no longer assured an adequate supply of fuels for national defense and our foreign policy is undoubtedly weakened by the threat of an embargo that can cripple our industries and seriously affect our life style. Aside from the uncertainty of supply, costs of large volumes of imported oil will adversely affect the nation's balance of payments causing an intolerable drain on the economy.

In developing plans to improve the nation's energy self-sufficiency, all available alternatives must be investigated. It is a generally accepted premise that the nation cannot achieve this goal by relying solely on reducing our level of energy consumption through a no energy growth economy and energy conservation measures. A no-growth economy is not a viable alternative. We must find new reserves to replace the 3 billion barrels

of oil and 22 trillion cubic feet of natural gas consumed from our existing reserves each year just to keep the present situation from worsening. Furthermore, some increase in energy use is necessary to supply the needs of a growing population even if we do no more than maintain our current standard of living. Energy conservation is an extremely important step toward reaching the goal of energy self-sufficiency. There is much room for improvement in the use of energy and conservation should be a part of our national energy program. However, energy conservation by itself will not be enough.

Any effective plan for achieving a reasonable level of energy self-sufficiency must include development of all of the nation's energy resources. We are indeed fortunate that the present energy shortage is caused by an inadequate development of supplies rather than by depletion of our energy resources. This nation has an abundance of energy resources in a wide variety of forms and simply needs to take the steps necessary to enable these resources to be explored, developed and brought to market.

The nation's most significant energy resources are nuclear and fossil fuels. Nuclear energy has tremendous potential, but it has faced lengthy delays due to environmental objections. It cannot be a substantial factor in our nation's energy supplies for the next

10 to 15 years because of the long lead times in nuclear plant construction. Domestic coal and oil shale resources are extremely large and can be processed into oil and gas to meet the market demands now supplied by conventional sources. However, it does not appear that these resources will make a significant contribution to the nation's energy supplies for many years due to the economic and physical limitations of constructing mines and converting the production into gas and liquid forms. There are also similar limitations to mining coal, converting equipment to burn it in its natural form and cleaning the stack gas to meet air pollution standards. Clearly for at least the next 10 to 15 years there are no alternatives to conventional oil and gas for major new supplies of domestic energy.

In reviewing the alternatives with regard to development of the nation's conventional oil and gas resources, it is apparent that the historical onshore producing areas alone no longer have the potential to supply the nation's petroleum needs. Even the Gulf of Mexico has undoubtedly passed its peak for new discoveries. In our opinion, the nation's greatest potential for new discoveries of conventional oil and gas lies in the remaining Outer Continental Shelf areas of Alaska, California and the Atlantic Coast. To evaluate this potential and achieve the goal of improved energy self-sufficiency the nation

must make all of these offshore areas available for exploration and development through an accelerated leasing program.

Gulf of Alaska Resource Evaluation

In 1974 the Bureau of Land Management requested that the petroleum industry prepare rankings of the 17 Outer Continental Shelf areas of the United States by order or resource potential and environmental concerns. In addition to responding to this request Atlantic Richfield Company ranked these areas by leasing preference. This ranking reflected the combined considerations of resource potential, possible environmental impacts, and operating capabilities that might affect the timing for delivery to market of any reserves found. At that time we assigned the Gulf of Alaska the highest resource potential and the highest preference for leasing of all the OCS areas. We continue to hold that view.

Industry's interest in the Gulf of Alaska and assessment of its potential is based on numerous geological and geophysical studies conducted by individual companies and groups. In an effort to further evaluate the potential of the Gulf of Alaska, Atlantic Richfield together with three other companies recently obtained approval from the U. S. Geological Survey to drill a stratigraphic test in the area. This well has been spudded at a

location some 18 miles offshore in a spot intentionally selected where oil and gas are not expected to be found. Other companies have been invited to participate in this data acquisition program by sharing in the cost of the well. There are now 26 companies participating in the program.

The proprietary geological and geophysical data and interpretative studies developed in the presale exploration programs of the various companies interested in the Gulf of Alaska will be used in evaluating the prospective tracts. Independent evaluations prepared by the different companies combined with competitive bidding in the lease sale will ensure the Government a fair market value for these public resources. Some concern has been expressed publicly that the Government does not receive a fair share of the proceeds from reserves found in OCS areas. An often overlooked fact is that the Government under the present system receives not only the amount paid in bonuses but also 1/6 royalty and income taxes on the industry's profits. Our studies indicate that considering the risks involved in the exploratory ventures of the Outer Continental Shelf and the time value of money the Government receives about 80% of the gross profits from OCS production.

Physical Environment

Weather and sea conditions are a major factor in conducting offshore exploration, development and producing operations. Since the Gulf of Alaska is generally noted as being a very stormy area, the industry has sponsored numerous programs to assess its physical environment. These programs include on site measurements of present conditions and hindcast studies from records of past conditions in the Gulf of Alaska to develop extensive information on wave heights, tides, winds, currents and water temperature. It is necessary to study not only the normal conditions of the Gulf of Alaska, but also to determine conditions that exist during peak storm periods. These extreme or rare occurring storm conditions provide the design criteria for installations that must sustain the maximum forces encountered in a storm.

Studies of the Gulf of Alaska indicate that weather and sea conditions are no harsher than those encountered in other areas in which the industry has operated. In fact, the Gulf of Alaska is very much like portions of the North Sea, especially with respect to wind and wave conditions. Furthermore, extreme wind conditions in the Gulf of Alaska are no harsher than those in the Gulf of Mexico during a hurricane and the water currents and tides are not as severe as those in the Cook Inlet. The most important point from this comparison, however, is that the industry

has faced similar weather and sea conditions in other areas and has successfully dealt with the problems of operating in a similar environment.

Public concern has been expressed with regard to the effects of earthquakes on operations conducted in the Gulf of Alaska. An earthquake could cause faulting of the surface sediments and loss of soil stability resulting in damage to offshore facilities installed in the effected area. Geological hazards of this type caused by earthquake activity can be reduced considerably by utilizing geophysical techniques. Seismic data shows that the danger of a fault rupturing surface sediments in the Gulf of Alaska is extremely low. There has been no evidence discovered of fault displacements in recent sediments on a majority of the structures. Seafloor topography as well as the thickness and contortion history of the overburden have been studied by seismic mapping to determine the potential loss of overburden stability. Such studies in the Gulf of Alaska indicate that the possibility of mass wasting of unconsolidated sediments over most of the area is very remote. The knowledge gained from these studies and from later detailed surveys that will be conducted in selecting specific sites for exploratory drilling or construction of production platforms will enable the industry to minimize the risks of encountering unstable seafloor conditions.

Technological Assessment

Although industry has not previously operated in the Gulf of Alaska and the environment is known to be harsh, we are confident that present technology will enable operations to be conducted safely in this area. Two of the main conditions that make the Gulf of Alaska a harsh environment are the frequent storms and the threat of earthquakes. We have experience in other areas, notably the North Sea, where operations have been successfully conducted under similar storm conditions. The threat of earthquakes can be dealt with by selecting locations for drilling and construction of offshore facilities to avoid areas with unstable seafloor conditions and by applying existing structural design techniques evaluated both in offshore platforms and other types of structures to reduce the risk of failure to an acceptable level.

The experience gained in designing equipment for the North Sea together with the extensive data gathered on the physical environment of the Gulf of Alaska has prepared the industry exceptionally well for operations in this new area. In over a decade of activities in the North Sea during which almost a thousand wells have been drilled, drilling rigs and production facilities as well as support equipment, such as supply boats and helicopters, have been steadily improved and successfully tested in severe operating conditions. For example, the latest

generation of semisubmersible drilling rigs used in the North Sea have safely withstood waves of almost 100 feet. These wave heights are comparable to the extreme waves expected in the Gulf of Alaska.

The experience of oil industry and related support personnel in the North Sea provides a bank of trained manpower uniquely qualified for operations in the similar environment of the Gulf of Alaska. Experience in the North Sea has also led to the development of operating procedures in drilling and producing activities that provide increased safety and efficiency over earlier procedures. This knowledge of improved procedures can be transferred to the Gulf of Alaska. Industry has also learned that the best procedures for safe and efficient operations vary with the severity of weather and sea conditions. Advances in reliable weather forecasting now allows offshore operators to make needed changes in their activities before bad weather reaches the area.

With regard to the adequacy of present technology in protecting against the threat of earthquakes in the Gulf of Alaska, we have already discussed the techniques used in selecting sites for drilling and construction where seafloor stability is not expected to be affected. In locations where the foundations remain stable, the main threat of an earthquake to offshore structures is the force of the shock waves. Platforms installed in the

Cook Inlet and on the California Coast have been designed to withstand these shock forces. Earthquakes have occurred in both areas with no structural damage to the platforms. Although the shock intensity was not as severe as may be experienced in the future either in these areas or the Gulf of Alaska, the experience does provide some indication that platforms can be designed to withstand earthquakes. In addition, structural engineers are experienced in designing other types of structures to withstand earthquake forces and are able to evaluate their design techniques by studying the performance of structures that have been exposed to severe earthquakes. These experts advise that the present technology is adequate for the design of offshore platforms and facilities to withstand these forces with an acceptable level of reliability.

Environmental Considerations

The Gulf of Alaska supports a sizable fishing industry and it is natural that the entry of a new industry into these waters would be viewed with some concern. However, the history of 25 years of operations in the Gulf of Mexico offers substantial evidence that the petroleum industry has the ability and desire to conduct its activities compatibly with fishing, shipping, and other offshore industries. Our relationship in the Gulf of Mexico has been excellent not only with other industries

but also with the adjacent states and onshore communities. Although petroleum related activities arising from the proposed northern Gulf of Alaska lease sale may accelerate the growth of several coastal towns any adverse socio-economic impacts on the majority of the people in the area should be offset by improved job opportunities and higher income. We firmly believe that petroleum operations can be conducted in the Gulf of Alaska with no significant long term environmental impact or adverse effects on other activities and adjacent areas.

Oceanographic studies, both physical and biological, have been or are now being conducted in the northern Gulf of Alaska. The most comprehensive is the one being done by NOAA in conjunction with the Bureau of Land Management. Atlantic Richfield Company, together with three other companies, has just completed an oceanographic survey at the drill site for the stratigraphic test well in the northern Gulf of Alaska. Although environmental studies in the Gulf of Alaska have accelerated in the past two to three years, oceanographic observations date back to 1778, the early 1920's, and continuously since the late 1940's.

The greatest environmental concern with regard to petroleum industry operations in offshore areas is undoubtedly the risk of an oil spill. The petroleum industry takes extensive protective measures in equipment

design, operating procedures, and training of personnel to prevent such an occurrence. The public is further assured of adequate industry measures to provide environmental protection and safety in offshore operations through the requirements of the U. S. Geological Survey's operating orders for OCS areas. Operating orders are now being developed specifically for the Gulf of Alaska based on knowledge gained by many years of industry operations in offshore areas under U. S. Geological Survey jurisdiction.

It is not possible to eliminate all risks of an oil spill regardless of how many safeguards are taken to prevent it. However, it is important that we keep this risk in its proper perspective. In the Gulf of Mexico and the California offshore the petroleum industry has drilled over 16,000 wells on the Outer Continental Shelf. While conducting these activities only four major spills have occurred and only one, the Santa Barbara Channel spill in 1969, caused appreciable short term environmental damage. To the best of our knowledge there is no evidence that even this spill had any permanent effect on the ecology. A National Academy of Sciences' study also helps to place offshore drilling and producing activities in the proper perspective with regard to the threat of pollution. Their study found that these offshore activities have historically caused less than 2% of the total oily discharges into the oceans.

Even though the risk of an oil spill from offshore exploration, development and production is relatively small protective measures are taken to contain and cleanup an accidental spill and minimize the threat of damage. The petroleum industry has established cooperative organizations, such as Clean Seas Inc. and Clean Gulf Associates, for containment and cleanup of spills in all offshore areas in which it operates. A similar organization, Gulf of Alaska Clean Up Cooperative, is now organized for the Gulf of Alaska and will provide oil spill clean up equipment and operating procedures before exploratory drilling and development begins. These cooperative organizations are adequately funded, equipped and manned by personnel trained to respond quickly and effectively in the event of a spill. In addition, the U. S. Coast Guard maintains a "strike team" that is alerted in the event of a spill in offshore waters. This team will take charge of containment and cleanup operations in any case where industry activities are not considered to be adequate.

Conclusions

Atlantic Richfield Company personnel have reviewed the draft Environmental Impact Statement prepared with respect to the proposed northern Gulf of Alaska lease sale (No. 39). In our opinion, this statement is adequate for a positive decision by the Bureau of Land Management to proceed with the proposed sale. We are also confident of the petroleum

industry's capability and determination to operate safely in the Gulf of Alaska. Considering the alternatives available with regard to meeting the nation's future energy needs, we believe it is vitally important for decisions to be made by the Government which will allow maximum development of the petroleum resources of the Outer Continental Shelf as promptly as possible. We respectfully urge a decision to proceed with the northern Gulf of Alaska lease sale (No. 39) as presently scheduled.

Comments with regard to the specific items in the draft Environmental Impact Statement are attached.

Sincerely yours,


J. P. Johnson

JPJ/nn

Attachment



Getty Oil Company

Post Office Box 1404, Houston, Texas 77001 • Telephone: (713) 228-9361

Mid-Continent Exploration and Production Division
H. E. Wendt, Offshore Manager

August 27, 1975

Director (732)
Bureau of Land Management
Washington, D. C. 20240

Dear Sir:

Re: Proposed Lease Sale No. 39
Outer Continental Shelf -
Gulf of Alaska

Please accept the attached statement as the views of Getty Oil Company on the proposed sale of oil and gas leases in the Gulf of Alaska, Sale No. 39.

Yours very truly,

A handwritten signature in cursive script, appearing to read "H. E. Wendt".

H. E. WENDT

ERT/skf

Enclosure

DEPARTMENT OF THE INTERIOR

HEARING ON

ENVIRONMENTAL IMPACT STATEMENT
PROPOSED GULF OF ALASKA OCS LEASE SALE

AUGUST 12-13, 1975

WRITTEN COMMENTS OF

H. E. WENDT
ON BEHALF OF
GETTY OIL COMPANY

Getty Oil Company has reviewed and concurs in the presentation made by the Gulf of Alaska Operators Committee at the August 12-13, 1975, hearing held in Anchorage on the Environmental Impact Statement relative to the possibility of the Department of the Interior conducting an offshore lease sale in the Gulf of Alaska.

Getty Oil Company is confident that offshore drilling and production equipment and operating techniques have been developed to such mechanical excellence that exploration for and production of petroleum can be conducted in the Gulf of Alaska with minimum disturbance to indigenous ecological systems. Any damage that might occur would surely be temporary, and we believe that due consideration should be given to the fact that platforms, etc., will be of limited term - such as for forty years, as stated in the Environmental Impact Statement.

Of apparent concern to a number of those testifying at the hearing was the impact of offshore drilling and production operations on small communities on the Gulf of Alaska shore. Though some of the participants in the hearing suggested considerable delay to "study" the impact, may this company suggest that such consideration be entertained after the initial exploratory drilling. Exploratory drilling is usually done with rather minimum disturbance to shore installations and the rig crews rarely live in the small coastal towns. Crew work patterns of seven days on seven off or ten on ten off usually allow sufficient time for travel to their homes in a larger city. It is our opinion that there will be little impact on coastal towns for the first two or three years after a lease sale, and when platforms are installed and development drilling commenced the impact of boat traffic and supply operations will be gradual and will be absorbed without undue hardship on the local population.

Getty Oil Company speaks from long experience in offshore operations. This company began producing oil from platforms in the Pacific Ocean off southern California before World War II and commenced an exploration program in the Gulf of Mexico in 1946. Our on shore operations now consist of more than 500 oil and gas wells, over 100 production platforms and numerous support facilities. We are satisfied that our operation participation has been, from the start, a safety conscious and minimum pollution occurrence endeavor.



GREATER SITKA

Chamber of Commerce, Inc.

ALASKA
AUG 22 12 45 PM '75

④ 732
② 732

Director (732)
Bureau of Land Management
Washington, D.C. 20240

Gentlemen:

The Greater Sitka Chamber of Commerce on August 14, 1975
passed the following resolution for your consideration:

WHEREAS, there is an urgent need for energy fuels at the present
time; and,

WHEREAS, we strongly feel that American dependence on foreign imported
oil, and the attendant whims of foreign politics, should be reduced to
o the lowest possible levels with all practical haste: and,

WHEREAS, the outer continental shelf of the Gulf of Alaska is expected
to be a potentially rich source of oil, which is so badly needed by
industry: and,

WHEREAS, due to the extensive environmental research already done,
we feel that additional time, effort and money spent in such pursuits
would be counterproductive:

THEREFORE, be it resolved that the Greater Sitka Chamber of Commerce
hereby urges your agency to expedite such plans and arrangements as
are necessary to the immediate beginning of exploration and develop-
ment of the Gulf of Alaska outer continental shelf.

This the 14th day of August, 1975.

Lloyd R. Rice

Lloyd R. Rice, President

POST OFFICE BOX 638

SITKA, ALASKA 99835

RECEIVED

11 1975

DIVISION OF LANDS
ENVIRONMENTAL ASSESSMENT

Manager, Alaska Outer Continental Shelf Office

Richard W. Varney

P.O. Box 1159

Cape Yakataga, Alaska 99560 3390-5413

Anchorage, Alaska 99510

30 July, 1975

*Hearings
Rec'd 8/1/75*

Dear Sir:

As a concerned resident of Cape Yakataga, I feel my sentiments regarding the forthcoming oil and gas lease sale should be made a part of the public record.

I strongly feel that the offshore tracts should be leased as soon as possible to prevent a future critical domestic oil shortage. By letting the offshore leases by this fall the various companies will have ample time to discover, drill, and define much needed crude oil reserves in an orderly manner.

The local economy at Cape Yakataga will benefit tremendously when the offshore oil land begins to be developed. Between Cordova and Yakutat lies an approximate 250 mile strip of timbered beach with virtually no development. This area has historically been a living nightmare to pilots due to its isolated nature and unpredictable weather. The

ly airstrip in the area is located at Cape Yakataga. The F.A.A. had, until recently, all but shut down their facilities at the runway. With the recent scientific studies taking place in the Gulf of Alaska (approximately 28 miles SSW of Cape Yakataga) already there have been improvements with the facilities at the airport. The F. A. A. in co-operation with the interested oil companies have and are in the process of installing new navigational equipment and a lighting system. It is difficult to estimate the number of lives that could have been saved in the past if these safety devices had been installed then. Future lives will most assuredly be saved by the installation of this equipment. This is only the beginning, if the offshore lands are developed Cape Yakataga will enjoy an all weather, all instrument airport. The people ultimately benefitting will be the general public.

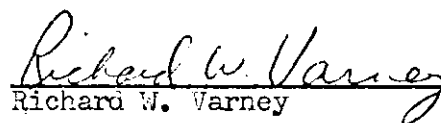
When the offshore leases are let, the oil companies will need communications. The present facilities at Cape Yakataga are incapable of handling the increased demand that

will be placed on them after the leases are let. RCA Alaska Communications employs three men (myself included) at the communications site. We and our families rely on added growth for continued existence at Cape Yakataga. Since the F.A.A. closed its doors four years

ago, Cape Yakataga has shrunk from a prosperous community of 30 to a hopeful 5. The offshore leases will definitely give the communications industry in Southeastern Alaska a shot in the arm.

With the possibility of offshore oil being developed producing an inexpensive source of power, I.E. mining, may be encouraged to develop. (This area is rich in minerals). Cape Yakataga could conceivably become a very important city in Alaska. I for one feel that now is the time to start progressing towards that goal.

Simply stated, without the development of the offshore natural resources Cape Yakataga will atrophy and die. On the other hand, with the letting of the leases one can look forward to a steady healthy economic development of the area.


Richard W. Varney

APR 1 11 3 1962

ALASKA
STATE DEPT. OF
NATURAL RESOURCES

ALASKA OCS OFFICE
ANCHORAGE, ALASKA

SEP 8 11 24 AM '75



FIDC

DR. WILLIAM R. WOOD
EXECUTIVE VICE PRESIDENT

FAIRBANKS INDUSTRIAL DEVELOPMENT CORPORATION
Phone 907 452-5400 or 452-5752 619 Eleventh Avenue Fairbanks, Alaska 99701

August 28, 1975

Manager
Alaska Outer Continental Shelf Office
Bureau of Land Management
117 W. Fireweed Lane
Anchorage, Alaska

Dear Sir:

The attached written testimony concerning the
"Proposed Lease Sale (#39) of Oil and Gas on the Outer
Continental Shelf - in the Gulf of Alaska" is
presented on behalf of the Fairbanks Industrial
Development Corporation.

Sincerely yours,

William R. Wood
Executive Vice President

WRW/kb
encl.

Written Testimony Concerning the "Proposed Lease Sale (#39)
of Oil and Gas on the Outer Continental Shelf - In the
Gulf of Alaska"

I am Dr. William R. Wood, President Emeritus of the University of Alaska, and currently Executive Vice President of the Fairbanks Industrial Development Corporation, a non-profit community service organization comprised of ninety-two professional and business member firms, representing major business, professional, industrial, and civic enterprises of Interior Alaska.

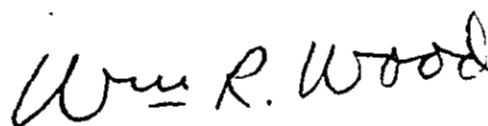
I am instructed by the Board of Directors of FIDC to urge the earliest feasible development of the potential oil and gas reserves on the Outer Continental Shelf in the Gulf of Alaska, and other Continental Shelf areas surrounding the State of Alaska, consistent with national needs and priorities in the development of essential energy supplies for the people of our nation and state.

It is understood by the FIDC Board that careful consideration by those directly responsible will be given to protecting the ocean environment, as well as the coastal environment involved, and that every effort will be made at the national level to protect the economic interests of the people of Alaska, particularly in those Continental areas immediately impacted by any resource development efforts undertaken, including among other matters exploration, production, and processing of all non-renewable resources found on the Outer Continental Shelf in waters surrounding the State of Alaska.

It is the position of the Board of FIDC that mere exploitation of the Outer Continental Shelf by the national government or private enterprise cannot be adequately justified apart from careful consideration of the issues raised here. A common-sense gradual approach to development in the common interest of the people of Alaska, as well as of the nation, is advocated, rather than any extremist view at either end of the spectrum of possibilities.

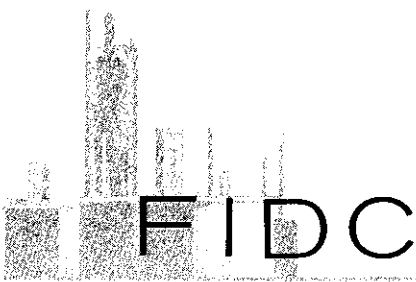
FIDC is confident that this point of view is shared not only by member firms of our non-profit community service organization, but by a strong majority of the residents of the Interior Alaska. We have come to this conclusion after studying a mass of detail that has been made available from a variety of sources during the past several months.

Move. Move now. Move now as a prudent person should who holds the interest of others at heart, as well as one's own future well-being.



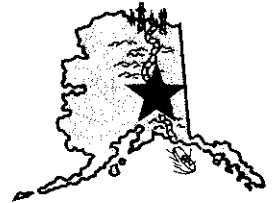
William R. Wood
Executive Vice President
Fairbanks Industrial Development
Corporation

August 28, 1975



ALASKA OCS OFFICE
ANCHORAGE, ALASKA

SEP 8 11 24 AM '75



DR. WILLIAM R. WOOD
EXECUTIVE VICE PRESIDENT

FAIRBANKS INDUSTRIAL DEVELOPMENT CORPORATION
Phone 907 452-5400 or 452-5752 • 619 Eleventh Avenue Fairbanks, Alaska 99701

August 28, 1975

Manager
Alaska Outer Continental Shelf Office
Bureau of Land Management
117 W. Fireweed Lane
Anchorage, Alaska

Dear Sir:

The attached written testimony concerning the "Proposed Lease Sale (#39) of Oil and Gas on the Outer Continental Shelf - in the Gulf of Alaska" is presented on behalf of the Fairbanks Industrial Development Corporation.

Sincerely yours,

William R. Wood
Executive Vice President

WRW/kb
encl.

Written Testimony Concerning the "Proposed Lease Sale (#39)
of Oil and Gas on the Outer Continental Shelf - In the
Gulf of Alaska"

I am Dr. William R. Wood, President Emeritus of the University of Alaska, and currently Executive Vice President of the Fairbanks Industrial Development Corporation, a non-profit community service organization comprised of ninety-two professional and business member firms, representing major business, professional, industrial, and civic enterprises of Interior Alaska.

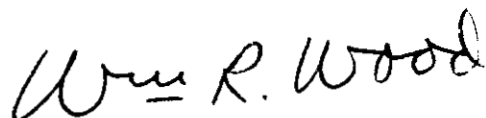
I am instructed by the Board of Directors of FIDC to urge the earliest feasible development of the potential oil and gas reserves on the Outer Continental Shelf in the Gulf of Alaska, and other Continental Shelf areas surrounding the State of Alaska, consistent with national needs and priorities in the development of essential energy supplies for the people of our nation and state.

It is understood by the FIDC Board that careful consideration by those directly responsible will be given to protecting the ocean environment, as well as the coastal environment involved, and that every effort will be made at the national level to protect the economic interests of the people of Alaska, particularly in those Continental areas immediately impacted by any resource development efforts undertaken, including among other matters exploration, production, and processing of all non-renewable resources found on the Outer Continental Shelf in waters surrounding the State of Alaska.

It is the position of the Board of FIDC that mere exploitation of the Outer Continental Shelf by the national government or private enterprise cannot be adequately justified apart from careful consideration of the issues raised here. A common-sense gradual approach to development in the common interest of the people of Alaska, as well as of the nation, is advocated, rather than any extremist view at either end of the spectrum of possibilities.

FIDC is confident that this point of view is shared not only by member firms of our non-profit community service organization, but by a strong majority of the residents of the Interior Alaska. We have come to this conclusion after studying a mass of detail that has been made available from a variety of sources during the past several months.

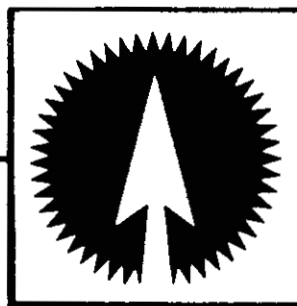
Move. Move now. Move now as a prudent person should who holds the interest of others at heart, as well as one's own future well-being.

A handwritten signature in dark ink, reading "Wm R. Wood". The signature is written in a cursive, slightly slanted style.

William R. Wood
Executive Vice President
Fairbanks Industrial Development
Corporation

August 28, 1975

Alaska Loggers Association, Inc.



BOX 425
KETCHIKAN, ALASKA 99901
Phone 225-6114

July 31, 1975

Manager, Alaska OCS office
Box 1159
Anchorage, Alaska 99510

Dear Sir:

Enclosed are four copies of an Alaska Loggers Association Resolution number 75-1 supporting OCS development in the Gulf of Alaska.

Also included are copies of the ALA people map, which provides information about Alaska Loggers Association and locates the members thruout the State.

Please direct the material to the proper people.

Sincerely,

Donald A. Bell
General Manager
ALASKA LOGGERS ASSOCIATION

DAB/mjs
Enc/
cc. James Campbell
R.L. Jernberg
Keith Arnold

ALASKA LOGGERS ASSOCIATION RESOLUTION 75-1

WHEREAS the Alaska Loggers Association, Inc., is a legally incorporated Alaska trade association with a membership of 91 regular members and 165 associate members, individuals and firms involved in Alaska's wood products industry, and

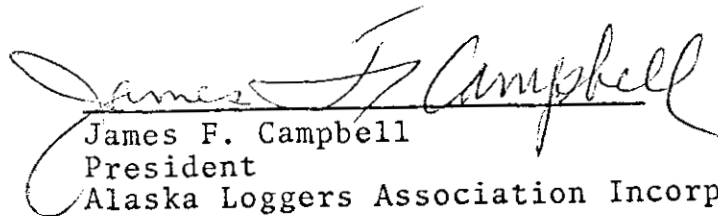
WHEREAS this industry ranks third in total employment in Alaska, and

WHEREAS the United States is now approximately 35 percent dependent on unreliable foreign sources for its oil and this dependence is still increasing, and

WHEREAS the wood products and petroleum production industries not only share the same producing areas harmoniously but also receive some mutual benefits through the resulting economic interaction, and

WHEREAS it is belief of the Directors of the Alaska Loggers Association, Inc., that a mutually cooperative development is desirable in the Gulf of Alaska region and that continued growth of both industries is in the best interests of the State and Nation; now, therefore, it is:

That Alaska Loggers Association, Inc., support prompt
leasing of OCS petroleum exploration tracts in the Gulf of
Alaska by the Department of Interior and urge local, state
and federal government cooperation in fostering exploration
Approved this 25th day of July 1975.


James F. Campbell
President
Alaska Loggers Association Incorporated

ALASKA LOGGERS ASSOCIATION RESOLUTION 75-1

WHEREAS the Alaska Loggers Association, Inc., is a legally incorporated Alaska trade association with a membership of 91 regular members and 165 associate members, individuals and firms involved in Alaska's wood products industry, and

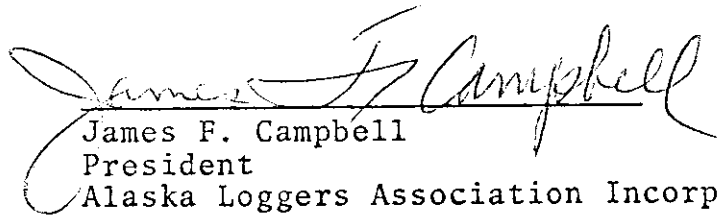
WHEREAS this industry ranks third in total employment in Alaska, and

WHEREAS the United States is now approximately 35 percent dependent on unreliable foreign sources for its oil and this dependence is still increasing, and

WHEREAS the wood products and petroleum production industries not only share the same producing areas harmoniously but also receive some mutual benefits through the resulting economic interaction, and

WHEREAS it is belief of the Directors of the Alaska Loggers Association, Inc., that a mutually cooperative development is desirable in the Gulf of Alaska region and that continued growth of both industries is in the best interests of the State and Nation; now, therefore, it is:

That Alaska Loggers Association, Inc., support prompt leasing of OCS petroleum exploration tracts in the Gulf of Alaska by the Department of Interior and urge local, state and federal government cooperation in fostering exploration
Approved this 25th day of July 1975.

A handwritten signature in cursive script, reading "James F. Campbell". The signature is written in dark ink and is positioned above the printed name and title.

James F. Campbell
President
Alaska Loggers Association Incorporated

ALASKA LOGGERS ASSOCIATION RESOLUTION 75-1

WHEREAS the Alaska Loggers Association, Inc., is a legally incorporated Alaska trade association with a membership of 91 regular members and 165 associate members, individuals and firms involved in Alaska's wood products industry, and

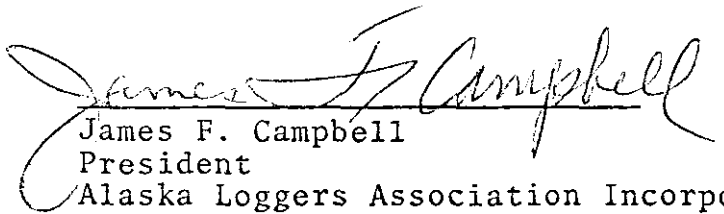
WHEREAS this industry ranks third in total employment in Alaska, and

WHEREAS the United States is now approximately 35 percent dependent on unreliable foreign sources for its oil and this dependence is still increasing, and

WHEREAS the wood products and petroleum production industries not only share the same producing areas harmoniously but also receive some mutual benefits through the resulting economic interaction, and

WHEREAS it is belief of the Directors of the Alaska Loggers Association, Inc., that a mutually cooperative development is desirable in the Gulf of Alaska region and that continued growth of both industries is in the best interests of the State and Nation; now, therefore, it is:

That Alaska Loggers Association, Inc., support prompt
leasing of OCS petroleum exploration tracts in the Gulf of
Alaska by the Department of Interior and urge local, state
and federal government cooperation in fostering exploration
Approved this 25th day of July 1975.


James F. Campbell
President
Alaska Loggers Association Incorporated

**Greater
Juneau Chamber of Commerce**

"SERVING ALASKA'S CAPITAL"

200 N. Franklin Street

(907) 586-2201

Juneau, Alaska 99801

August 28, 1975

U. S. Department of Interior
Bureau of Land Management
Alaska Outer Continental Shelf Office
P. O. Box 1159
Anchorage, Alaska 99501

Gentlemen:

The Greater Juneau Chamber of Commerce has, since OCS became a household expression, been for the leasing and development of the oil and other resources of the Continental Shelf.

Juneau is more vibrant now than in the past and we do want to be evaluated with the other cities as a possible important cog in the development.

We are not "playing dead" and want the Alaska Outer Continental Shelf Office to know we are ready to help in whatever means you need.

Please keep us in mind.

The enclosed states our position and has been forwarded to the Bureau of Land Management in Washington, D. C. and to our Congressmen.

Sincerely,



R. A. "Dutch" Derr
Executive Vice President

Enclosure

RAD:ew

A RESOLUTION

WHEREAS, the Board of Directors of the Greater Juneau Chamber of Commerce is a representative of the business community for the residents of the City and Borough of Juneau, Alaska.

WHEREAS, the future ability of Juneau to meet its service responsibilities to its constituent member is to a large extent dependent on healthy regional, state and national economy to which increased domestic oil production is essential and,

WHEREAS, the residents of the City and Borough of Juneau, Alaska are currently dependent primarily on state and federal government, tourism and related services as a source of revenue and,

WHEREAS, these industries are totally dependent on petroleum for its energy and,

WHEREAS, there is no evidence to indicate that Outer Continental Shelf leasing within the Gulf of Alaska and oil development is incompatible with these industries, we must totally support the proposed fall/winter, Gulf of Alaska, Outer Continental Shelf leasing.

WHEREAS, oil development holds a promise of a boarder industrial base and economic diversification for the residents of the City and Borough of Juneau and,

WHEREAS, such economical growth can be expected to result in a more fruitful lifestyle for the residents of the City and Borough of Juneau, it is therefore resolved that the Board of Directors of the Greater Juneau Chamber of Commerce support prompt leasing of OSC tracts in the Gulf of Alaska by the Bureau of Land Management.

WHEREAS, it is also desired that within the Draft Environmental Impact Statement, Outer Continental Shelf proposed gas and leasing in the northern Gulf of Alaska be broadened within its "Social and Economic Impact of the Northern Gulf of Alaska Coast" to include the City and Borough of Juneau relative to short and long term on-shore impact.

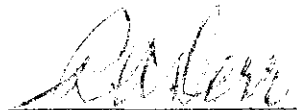
WHEREAS, Juneau is the only major community within the coastal Alaskan waters within a 200 mile radius of said lease sale that is not included within the Draft Environmental Impact Statement,

WHEREAS, Juneau is the only community within 175 miles of the impact area that has proper planning and zoning laws present to facilitate anticipated on-shore impact,

WHEREAS, the Board of Directors of the Greater Juneau Chamber of Commerce demands that the final Environmental Impact Statement include the assessment of what Juneau's potential impact on such long term leasing is.

Passed and Approved on August 25, 1975.

Signed



R.A. "Dutch" Derr

Vice President

Greater Juneau Chamber of Commerce

Greater
Juneau Chamber of Commerce

"SERVING ALASKA'S CAPITAL"

200 N. Franklin Street

(907) 586-2201

Juneau, Alaska 99801

August 27, 1975

Director (732)
Bureau of Land Management
Washington, D. C. 20240

Dear Sir:

The enclosed is a much discussed resolution from the Greater Juneau Chamber of Commerce.

We are unanimous in our support of the Outer Continental Shelf leasing and oil development.

We are also desirous of being included in the "Social and Economic Impact of the Northern Gulf of Alaska Coast."

It is important that the Bureau of Land Management realizes that Juneau is a very vibrant community and that the Capital Move has made the people more aware of opportunities that are available to us.

Please don't write us off - keep us informed. We are, and may continue to be, the Capital of Alaska.

Sincerely,



R. A. "Dutch" Derr
Executive Vice President

Enclosure

RAD:ew

A RESOLUTION

WHEREAS, the Board of Directors of the Greater Juneau Chamber of Commerce is a representative of the business community for the residents of the City and Borough of Juneau, Alaska.

WHEREAS, the future ability of Juneau to meet its service responsibilities to its constituent member is to a large extent dependent on healthy regional, state and national economy to which increased domestic oil production is essential and,

WHEREAS, the residents of the City and Borough of Juneau, Alaska are currently dependent primarily on state and federal government, tourism and related services as a source of revenue and,

WHEREAS, these industries are totally dependent on petroleum for its energy and,

WHEREAS, there is no evidence to indicate that Outer Continental Shelf leasing within the Gulf of Alaska and oil development is incompatible with these industries, we must totally support the proposed fall/winter, Gulf of Alaska, Outer Continental Shelf leasing.

WHEREAS, oil development holds a promise of a boarder industrial base and economic diversification for the residents of the City and Borough of Juneau and,

WHEREAS, such economical growth can be expected to result in a more fruitful lifestyle for the residents of the City and Borough of Juneau, it is therefore resolved that the Board of Directors of the Greater Juneau Chamber of Commerce support prompt leasing of OSC tracts in the Gulf of Alaska by the Bureau of Land Management.

WHEREAS, it is also desired that within the Draft Environmental Impact Statement, Outer Continental Shelf proposed gas and leasing in the northern Gulf of Alaska be broadened within its "Social and Economic Impact of the Northern Gulf of Alaska Coast" to include the City and Borough of Juneau relative to short and long term on-shore impact.

WHEREAS, Juneau is the only major community within the coastal Alaskan waters within a 200 mile radius of said lease sale that is not included within the Draft Environmental Impact Statement,

WHEREAS, Juneau is the only community within 175 miles of the impact area that has proper planning and zoning laws present to facilitate anticipated on-shore impact,

WHEREAS, the Board of Directors of the Greater Juneau Chamber of Commerce demands that the final Environmental Impact Statement include the assessment of what Juneau's potential impact on such long term leasing is.

Passed and Approved on August 25, 1975.

Signed



R.A. "Dutch" Derr
Vice President
Greater Juneau Chamber of Commerce

A RESOLUTION

WHEREAS, the Board of Directors of the Greater Juneau Chamber of Commerce is a representative of the business community for the residents of the City and Borough of Juneau, Alaska.

WHEREAS, the future ability of Juneau to meet its service responsibilities to its constituent member is to a large extent dependent on healthy regional, state and national economy to which increased domestic oil production is essential and,

WHEREAS, the residents of the City and Borough of Juneau, Alaska are currently dependent primarily on state and federal government, tourism and related services as a source of revenue and,

WHEREAS, these industries are totally dependent on petroleum for its energy and,

WHEREAS, there is no evidence to indicate that Outer Continental Shelf leasing within the Gulf of Alaska and oil development is incompatible with these industries, we must totally support the proposed fall/winter, Gulf of Alaska, Outer Continental Shelf leasing.

WHEREAS, oil development holds a promise of a boarder industrial base and economic diversification for the residents of the City and Borough of Juneau and,

WHEREAS, such economical growth can be expected to result in a more fruitful lifestyle for the residents of the City and Borough of Juneau, it is therefore resolved that the Board of Directors of the Greater Juneau Chamber of Commerce support prompt leasing of OSC tracts in the Gulf of Alaska by the Bureau of Land Management.

WHEREAS, it is also desired that within the Draft Environmental Impact Statement, Outer Continental Shelf proposed gas and leasing in the northern Gulf of Alaska be broadened within its "Social and Economic Impact of the Northern Gulf of Alaska Coast" to include the City and Borough of Juneau relative to short and long term on-shore impact.

WHEREAS, Juneau is the only major community within the coastal Alaskan waters within a 200 mile radius of said lease sale that is not included within the Draft Environmental Impact Statement,

WHEREAS, Juneau is the only community within 175 miles of the impact area that has proper planning and zoning laws present to facilitate anticipated on-shore impact,

WHEREAS, the Board of Directors of the Greater Juneau Chamber of Commerce demands that the final Environmental Impact Statement include the assessment of what Juneau's potential impact on such long term leasing is.

Passed and Approved on August 25, 1975.

Signed



R.A. "Dutch" Derr
Vice President
Greater Juneau Chamber of Commerce

ALASKA CHARTER
1975 11-11-75

Don 2001
Anchorage, Alaska 99510
August 27, 1975

Bureau of Land Management
Alaska Outer Continental Shelf Office
Post Office Box 1159
Anchorage, Alaska 99510

Gentlemen:

The Alaska Chapter of the Sierra Club was unable to present oral testimony at the public hearings held here recently on proposed oil and gas leasing in the Northern Gulf of Alaska (Sale No. 39), as described in your Draft Environmental Impact Statement dated June 27, 1975. We are submitting this written statement in lieu of oral testimony, and request that it be made a part of the permanent hearing record.

We wish to state that we understand the importance of assuring an adequate supply of oil and gas, and other forms of energy for the United States in the years ahead. Sierra Club members are aware of the importance of energy resources to our country, and we realize the consequences of a shortfall of oil and gas to the American economy. We are as concerned as are other Americans, about the need for these resources; however, we believe that the natural environment, including the offshore areas, must be given adequate protection in the process of exploring for, and extracting oil and gas and other necessary resources.

We believe that the Draft E.I.S., while it no doubt represents a considerable amount of effort on the part of the Alaska O.C.S. staff, cannot be considered adequate in many respects because of the lack of sufficient baseline data. We believe that the studies presently under way should be completed, and their results completely analyzed, before any decision to hold an oil and gas lease sale in the Northern Gulf of Alaska is made. We estimate that a period of at least two years, and longer than this if necessary, will be required for this purpose. We believe, therefore, that any decision to hold a Northern Gulf of Alaska oil and gas lease sale before at least September of 1977 would be premature and unjustified, and we request that such a delay be made.

Regarding alternatives to the proposed sale, Section VIII of the Draft E.I.S., we believe that under Subsection B., "Delay Sale", all three considerations ("Until new equipment is available to provide increased environmental protection; pending completion of studies... and Pending completion of coastal zone and growth plans onshore) are valid, and are sufficiently important as to justify a delay in the sale until all three are satisfactory to the State of Alaska and to the Council on Environmental Quality.

to believe that the alternative of energy conservation would be adequate to cover any shortfall in energy supply until the three considerations mentioned in the previous paragraph have been satisfied. We realize that although this alternative must be included in the Draft E.I.S., the authority to mandate it is not the B.L.M.'s, but rather is that of the Congress and the Federal Energy Administration. We do wish to point out that a number of authoritative studies have recently pointed out the practicality and necessity of this alternative. For instance, the Council on Environmental Quality's proposal, "A NATIONAL ENERGY CONSERVATION PROGRAM: THE HALF AND HALF PLAN", and the Ford Foundation's ENERGY POLICY STUDY both describe practical alternatives which should be given serious consideration.

The public hearings held here recently saw the oil industry and its supporters assure the B.L.M. that they have the capability to explore for and produce oil and gas in the Northern Gulf of Alaska with minimal risk to the environment. This is standard procedure; has anyone ever heard them admit that they might not be able to do so? We believe, however, that these people really can't be considered an unbiased, objective source of information, and we hope that you will take this into consideration when evaluating their testimony. We believe that the Council on Environmental Quality, which held hearings around the country, including Alaska, on "Project Independence", is a much more reliable and accurate source of information upon which to base a decision on outer continental shelf oil and gas leasing schedules. As you are no doubt aware, the C.E.Q., in April of last year, released its report on O.C.S. oil and gas leasing, and stated that such leasing in the waters off Alaska should be held last, after other areas have been leased. We certainly agree with the C.E.Q.'s recommendations, and urge that you give them the weight which they deserve.

We hope that this comment on the Draft E.I.S. is useful to your agency in drawing up its final Impact Statement. We appreciate the opportunity to submit our views, and want to thank you for receiving them.

I am, Sincerely,

Gerald R. Brookman
First Vice-Chairman, Alaska Chapter, Sierra Club
(Acting Chairman)

ALASKA OCS OFFICE
Mobil Oil Corporation

AUG 22 11 01 AM '75
August 22, 1975

P.O. BOX 5444
DENVER, COLORADO 80217

H.J. FITZGEORGE
REGION VICE PRESIDENT


Mr. Edward Hoffman
Manager, Alaska Outer
Continental Shelf Office
Bureau of Land Management
P. O. Box 1159
Anchorage, Alaska 99501

Re: DRAFT ENVIRONMENTAL IMPACT STATEMENT
PROPOSED LEASE SALE (OCS No. 39)
OUTER CONTINENTAL SHELF SALE
OFFSHORE NORTHERN GULF OF ALASKA

Dear Mr. Hoffman:

Attached for inclusion in the record is Mobil Oil Corporation's written statement commenting on the draft Environmental Impact Statement which was the subject of the hearing beginning on August 12, 1975. We would appreciate it if you would include this written statement as part of the record of such hearing.

Very truly yours,



H. J. Fitzgeorge

MOBIL OIL CORPORATION STATEMENT

SUBMITTED TO THE
U. S. DEPARTMENT OF THE INTERIOR

REGARDING THE
DRAFT ENVIRONMENTAL IMPACT STATEMENT
PROPOSED 1975 OCS OIL AND GAS LEASE SALE

NORTHERN GULF OF ALASKA
OCS SALE NO. 39

Mobil Oil Corporation has reviewed the Draft Environmental Statement relative to the proposal to offer acreage for oil and gas leasing on the Outer Continental Shelf in the Gulf of Alaska. It is a comprehensive study which provides a good basis for evaluation of the many issues which arise in connection with the proposed leasing.

Mobil would like to file some brief remarks focusing on that section of the Draft Environmental Statement which, in our view, is central to a decision as to whether the proposal should be implemented; namely, alternatives to this proposed action.

Fundamental to the evaluation of any alternative is an understanding of U.S. oil and gas consumption today and for the decade ahead.

Various supply and demand forecasts have been made in recent months. Mobil's forecast is this:

1. Even with vigorous conservation efforts, total U.S. energy consumption will grow with time as our population increases, as we continue to develop industrially, and as we strive to increase the standard of living for all Americans.
2. Oil and gas today supply more than three-fourths of our energy needs. Even with increasing use of alternative energy sources, Mobil projects that by 1985 oil and gas will still be providing about two-thirds of the energy consumed in this country, with the actual volume of "conventional" oil and gas required in 1985 exceeding current consumption by about 15%.
3. Along with this increased oil and gas consumption in 1985, there will be a substantial decrease in production from presently proved domestic oil and gas reserves. The 1974 production level of nearly 11 million barrels of oil and 60 billion cubic feet of gas per day from these reserves is projected to decline to about 5 million barrels of oil and 20 billion cubic feet of gas per day in 1985.
4. Converting gas to barrels of oil on the basis of energy content, this means that by 1985 the U.S. will be using about 32 million equivalent barrels¹⁾ of "conventional" oil and gas per day, but we estimate the country will only be producing around 9 million equivalent barrels per day from presently proved reserves.

1) Barrels of oil plus gas converted to barrels of oil on the basis of energy content. (5600 cubic feet of gas = 1 Bbl. of oil)

The projected gap of 23 million equivalent barrels per day by 1985 can only be filled by increased imports and increased domestic production. It is clearly in the best interests of this nation to strive toward increasing domestic production. Because of the exploration maturity of most onshore geologic provinces, Mobil Oil Corporation believes that the vast and little explored Outer Continental Shelf offers the largest potential for significant new oil and gas discoveries.

It is against this background that alternatives to the proposed sale must be assessed.

The first alternative is to simply withdraw the proposed sale as well as others in frontier OCS areas. This action can only increase imports.

Mobil is in favor of conservation to cut out waste, but as stated earlier, and as the Draft Environmental Statement points out, conservation will not halt the growth of our use of energy.

Secondly, even when synthetic and alternate energy sources are fully considered, the fact remains that by 1985 the U.S. will still require about 15% more conventional oil and gas than is used today. It should also be fully realized that each alternate energy source has its own peculiar set of environmental impacts. Finally, vastly increased oil imports will not only decrease the security of our future supply, but will further aggravate our balance of payments problem with a resulting unfavorable impact on the nation's economy.

Withdrawing this sale, or other frontier OCS sales, does not constitute a viable alternative if we are to work toward increasing the domestic oil and gas production the United States so vitally needs.

The second alternative to the proposed OCS sale would be to delay it pending development of new environmental protection technology, further impact studies, new OCS operating orders, and completion of onshore land use plans. In Mobil's view, delay for these reasons is not appropriate.

The industry's technology for environmental protection has been continuously improving and operating regulations and procedures have become more stringent. Significantly, there is no evidence that any past spill has had a permanent adverse effect on the environment. Further, industry has participated in development of advanced spill clean-up technology, and has established cooperative clean-up organizations in the areas where it now operates.

Delay of the proposed sale in order to make additional environmental impact studies might be justifiable if knowledge of the Gulf of Alaska borderland environment were meager. Knowledge is in fact substantial and additional study would probably not change the fundamental understanding of this environment or the impact of oil and gas operations on it.

Delay for the purpose of developing a new set of OCS operating orders would ignore the comprehensive and tested OCS orders which already exist. Furthermore, the Secretary of the Interior now has the authority to revise these orders at any time so far as they pertain to prevention of waste, conservation of natural resources, or protection of correlative rights.

Finally, we believe a delay in the proposed sale to allow completion of onshore land use plans is not necessary. Mobil endorses the concept of coordinated planning of production facilities, pipelines, and onshore facilities as new offshore producing areas are discovered and developed. Industry, working with federal and state government agencies, has the ability to do this planning in the time span that normally exists between initial discovery and development.

Significant drilling must take place before reserves and producing rates can be estimated so that production and transportation facilities can be properly designed. Mobil believes the time requirements inherent in progressing from exploration to field development afford adequate opportunity for full analysis and approval of final field development plans and transportation systems.

These timing considerations are especially important as they relate to the impact of future OCS production on our energy supply. The urgency for an early beginning is evident when we consider the time involved from initiation of an offshore lease sale to actual production of oil and gas from a given lease. Variations in rig availability, water depth, wind and wave conditions, platform fabrication capacity, and remoteness of an area all bear on lead time. We estimate for new leases this lead time typically will be in the range of from four to seven or more years. Development of new offshore areas must begin at the earliest possible time if production from these areas is to make a significant contribution to our supplies in the next decade.

Another alternative to the proposed sale which we feel deserves comment is exploration of the OCS by government drilling prior to a sale. Mobil is opposed to this idea. We believe that the competitive forces present within the oil and gas industry have served and will continue to serve the public interest by inducing multiple conceptual approaches to exploration, divergent assessments of potential and risk, development of new technology, and high lease bonus prices which result in an economic necessity for expeditious development of new production. Certainly, the environmental impact of government exploration should not be less than that of industry exploration.

In summary, Mobil believes the United States must proceed with leasing in frontier OCS areas now if we are to strive toward establishing the secure future energy supply this country must have. Also, Mobil is confident that this can be done with full regard for establishing a proper balance between environmental protection and development of a much needed resource.

Alaska State Legislature



REPRESENTATIVE
M. F. "MIKE" BEIRNE
P. O. BOX 4-1539
ANCHORAGE, ALASKA 99509
PHONE (907) 272-1445
POUCH V STATE CAPITOL
JUNEAU, ALASKA 99801
PHONE BARANOF HOTEL
(907) 586-2660

COMMITTEES
STATE AFFAIRS
LABOR AND MANAGEMENT

House of Representatives

July 25, 1975

The Bureau of Land Management
Alaska Outer Continental Shelf Office
800 "A" Street
Anchorage, Alaska 99501

Gentlemen:

I strongly support the exploration and development of our outer continental shelf areas. I expect to be present at, and to give testimony at the August 12- 13 hearings to be held in Anchorage.

There is no question that America must have immediate exploration and development of the outer continental shelf. Proper environmental safeguards are proper and necessary. These safeguards however should be reasonable in every respect so that we do not add to the cost of living. Certainly we consumers ultimately must pay any and all bills, and all costs related to these safeguards, as well as for the exploration, developing and marketing of our petroleum resources.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "M.F. Beirne".

M.F. "Mike" Beirne
Alaska State House of
Representatives.

mfb:bp

cc: Senator Ted Stevens
Senator Mike Gravel
Congressman Don Young

27
interior
T30
JLM
Dear President Ford,

I feel the Dept. of Interior has gone too far when it proposes to lease millions of acres of Alaskan sea to the oil companies. Who gave the Dept. or the oil companies the right to murder extraordinary numbers of marine organisms that will ~~un~~ no doubt perish in unavoidable oil spills--unavoidable because of the conditions present in the Gulf of Alaska. How can the oil companies say that they can operate in a sea area that has ninety foot waves, 100 mile per hour winds, and earthquakes measuring 6.8 on the Richter scale?

It is evident from the facts that the Dept. of Interior and the oil companies realize that spills--massive spills, will occur, but they don't care as long as it brings in oil and money. You must be aware that that is a very shallow view. Their value system is faulty if they think oil is more valuable than the environment. We can learn to live with less oil, we must, but we can not survive without the ocean; it is the central key to life on Earth.

In view of the above, I urge you to halt the Dept. of Interior's plan to lease Alaskan seas to the oil companies before it is too late.

Sincerely,
Jennifer Malvin

Jennifer Malvin

Please write to

612 N. ARDEN DR.
BEVERLY HILLS, CALIF.

90210